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CIS

FEDERAL PROCUREMENT WORK FORCE

HEARING

BEFORE THE

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

FEBRUARY 2, 1982

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CONTENTS

Page

Opening statement of Senator Danforth 1

WITNESSES

TUESDAY, FEBRUARY 2, 1982

Donald E. Sowle, Administrator for Federal Procurement Policy, Office of Management and Budget, accompanied by William N. Hunter, Director, Federal Acquisition Institute 2
Harry Robert Page, professor, School of Government and Business Administration, The George Washington University 18
Walter M. Eads, president, National Association of Purchasing Management, accompanied by E. J. Bierman, director, Certification and Professional Activities 33
Walter B. O'Neil, member, Procurement Committee, National Security Industrial Association 47

ALPHABETICAL LIST OF WITNESSES

Bierman, E. J.: Testimony 33
Eads, Walter M.:
Testimony 33
Attachments to testimony 36
Hunter, William N.: Testimony 2
O'Neil, Walter B.: Testimony 47
Page, Harry Robert:
Testimony 18
Prepared statement 25
Sowle, Donald E.:
Testimony 2
Prepared statement 10
Schedule for the Uniform Federal Procurement System 17

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Statement of Michael J. Tashjian, partner-in-charge of the Government Contracts Services Group, Coopers & Lybrand 53
Letter to Senator John C. Danforth from Lloyd R. Kuhn, vice president, legislative affairs, Aerospace Industries Association of America, Inc., February 2, 1982 58
Letter to Senator John C. Danforth from Karen Hastie Williams, Crowell & Moring, February 2, 1982 60
"Strategy for Professionalism," article by William N. Hunter, from Contract Management, July 1982 (National Contract Management Association) 63
"Management and Professionalism in the Contract Management Organization," article by Lloyd Walsh, from Contract Management, July 1982 (National Contract Management Association) 66

FEDERAL PROCUREMENT WORK FORCE

TUESDAY, FEBRUARY 2, 1982

U.S. SENATE,
SUBCOMMITTEE ON FEDERAL EXPENDITURES,
RESEARCH, AND RULES,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:10 a.m., in room 3302, Dirksen Senate Office Building, Senator John C. Danforth (chairman of the subcommittee) presiding.

Present: Senator Danforth.

Staff present: Christopher R. Brewster, chief counsel and staff director; William B. Montalto, procurement policy counsel; and Patricia A. Otto, chief clerk.

OPENING STATEMENT OF SENATOR DANFORTH

Senator DANFORTH. The subcommittee will come to order.

Today's hearing concerns the Federal procurement work force. The 100,000 men and women who do the Government's buying spent 130 billion tax dollars during fiscal year 1981. They will spend that much and more this year.

The present procurement system requires the implementation of a veritable library of regulations and procedures that define the buyer-seller relationship. Obviously, the people using this system must be qualified, trained, and capable of exercising good judgment.

Concern over the quality of the procurement work force is not new. Its importance was highlighted in the report of the Commission on Government Procurement, released almost 10 years ago. It is a central theme of the draft proposal for a uniform Federal procurement system, which was issued by the Office of Federal Procurement Policy last October.

A trained, self-confident, and professional work force will be required to implement the simplified Federal procurement system. A single Government-wide regulatory framework will rid the system of thousands of pages of redundant regulations. There is great concern, however, that the procurement work force may not be up to its new job. A system that relies less on regulations and more on plain good judgment requires a trained work force.

Efforts to improve the professionalism of the procurement work force are already underway. This morning's witnesses will describe the training and certification programs being undertaken by Government and by universities, professional associations, and others in the private sector. This partnership is being encouraged through

the efforts of the Federal Acquisition Institute. Clearly, such cooperative efforts should be continued and expanded.

Increased professionalism within the work force demands recognition that procurement people are professionals. Sometimes such recognition is absent. The Office of Personnel Management's proposed classification standards for procurement personnel, the GS-1102 series standards—downgrading certain procurement positions—are a case in point. While not the focus of these hearings, they remain of concern to this subcommittee and to many commentators both inside and outside Government. Senator Chiles and I have joined Government contractors in opposing OPM's plan, and we have been joined, in turn, by Senator Roth and Senator Cohen. We will be watching the progress of these standards closely.

Finally, we must remember that the Government's procurement work force has a significant impact on the Government's relations with its contractors. Unnecessary controversy, all too often born of ineptitude, misunderstanding, or unnecessary rigidity can be avoided—to the mutual benefit of the contractor and the taxpayer.

In short, the investment we make in training contract officers—in making them smart buyers and tough, but fair, customers—can pay the Government back several times over.

We look forward to today's testimony.

The first witness today is Mr. Donald Sowle, Administrator for Federal Procurement Policy, Office of Federal Procurement Policy, Office of Management and Budget.

TESTIMONY OF DONALD E. SOWLE, ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY, OFFICE OF MANAGEMENT AND BUDGET, ACCOMPANIED BY WILLIAM N. HUNTER, DIRECTOR, FEDERAL ACQUISITION INSTITUTE

Mr. SOWLE. Thank you very much, Mr. Chairman. I would like to introduce Mr. Bill Hunter, who is with me today. Bill is the Director of the Federal Acquisition Institute.

With your permission, I would like to summarize my statement.

Senator DANFORTH. Yes. Without objection, your entire statement will be included in the record.

Mr. SOWLE. Thank you.

I do appreciate the opportunity to come here today and discuss the Federal procurement work force. Of the many goals contained in our draft proposal for a Federal procurement system, to which you just referred, I believe that a program to develop a more professional and competent work force would rate near the top. Therefore, I would like to briefly summarize the need for such a program, the prerequisites for establishing a successful program, and the specific goals to be accomplished by the program.

Procurement managers have long stressed the importance of a professional work force for the efficient operation of the procurement process. This is the process by which the Government spends the $130 billion annually, to which you just referred.

I do not mean to imply that we do not have competent procurement people, because we certainly do. However, as the procurement budget grows and the contracts become more complex, we need to insure that the work force keeps pace, both in quality and

quantity. Procurement systems cannot work effectively unless they are staffed by dedicated professionals who exercise proper initiative and judgment in making complex and vital business decisions when dealing with the private sector.

Until recently, there was no one who had responsibility for identifying, analyzing, and meeting the needs of the procurement work force on a Government-wide scale. The Federal Acquisition Institute provided for in our authorizing statute now serves to bring all the agencies together, including procurement and personnel managers, to plan and establish an integrated procurement career program.

There are three basic prerequisites for a successful program—first, information on the work force necessary for defining work force needs; second, agency and interagency commitment to fulfill the needs; and, third, the assignment of authority, responsibility, accountability, and resources for meeting these needs.

Nine years ago, the Commission on Government Procurement recognized that personnel management information systems were unable to provide adequate information on the procurement work force.

Today, the FAI is undertaking the development of this vital data. We are presently working with the data collected by the Office of Personnel Management on all Federal employees, and we are developing software which, for the first time, will allow procurement managers to obtain and use the data for management purposes.

The second prerequisite is agency and interagency commitment to meet these needs. We cannot create a professional work force by fiat. It can come only from the individual and combined efforts of procurement and personnel managers throughout the Government, with support from the agency heads. Working through interagency committees sponsored by the Federal Acquisition Institute, the agencies will cooperatively set performance standards, draft plans, and implement projects vital to career development.

The third prerequisite—that is, to establish clear lines of authority, responsibility, and accountability for results—will be enhanced by appointment of procurement executives with responsibility and accountability for developing a professional work force as one of their major tasks.

Agencies must also insure that they have adequate resources to meet their needs. Unless procurement executives receive full backing and commitment from top-level management, they will not be able to carry out full-fledged career management programs.

The task of developing and maintaining a professional work force requires a comprehensive systems approach. The system must include many vital aspects such as the establishment of career management plans, the development of realistic classification standards, the continued development of an academic body of knowledge, better procurement training, more intern and cooperative education programs, the development of new qualification standards, the use of written examinations to fill entry-level positions, development of a universal procurement certification program, the use of qualification standards for formally warranting contracting officers, improved performance appraisal systems, and more incentives for excellence in performance.

The departments and agencies, working with the Federal Acquisition Institute, are making significant progress toward accomplishing many of these initiatives, and they are thoroughly committed to them.

With the continued interest of your subcommittee, I am confident that improvements in the capability of the work force will become a reality. Without a competent and dedicated work force, we cannot be sure of the effective, efficient, and judicious expenditure of $130 billion or more in public funds.

Mr. Chairman, this concludes my prepared remarks. I will be pleased to answer any questions you may have.

Senator DANFORTH. Mr. Sowle, thank you very much.

First of all, I'd like to ask you what the outlook is for the submission date of the administration's proposal for the uniform Federal procurement system.

Mr. SOWLE. Well, Mr. Chairman, we've been working very diligently with some 1,300 comments that we received from the public and the agencies, from essentially 200 different sources. We are spread-sheeting all of this information to assure that we get every comment and idea disposed of in an orderly manner.

With all of this effort, we do expect, as of now, to have the proposal in your hands by February 26.

I do have a schedule that I would be very pleased to leave for the record, if you would like to see the schedule that we have laid out which leads us to the submission on February 26. As of now, we are on schedule, although we are very early in the schedule.[1]

Senator DANFORTH. I was beginning to be concerned that the submission date would slip again. I do know that it is difficult to get all of the players on the field in this effort.

Mr. SOWLE. I am committed to getting this to you by the 26th, and I will do my utmost to keep that commitment.

Senator DANFORTH. Good. Have you found good cooperation with the various departments and agencies?

Mr. SOWLE. Yes, for the most part they have been very cooperative. Some of the agencies didn't get their comments back when we expected. However, I can't say that that has held us up too much because we could work with those that we did have. I think for the most part everyone has been pretty cooperative.

Senator DANFORTH. Good. We look forward to receiving the final administration proposal.

Let me see if I understand the personnel problem. It is my understanding that two things are happening at the same time. One is that, increasingly, procurement is seen as almost a science. In the past it was viewed as something that is picked up by experience, but now there are more and more sophisticated methods in procurement.

And, second, the trend will hopefully be to move away from very, very detailed regulations on procurement, with more discretion vested in the procurement officer.

For both reasons, it is viewed as necessary that people who are in the procurement field for the Government be very good people,

[1] See p. 17.

be very strong in their field, and also very well prepared for their work.

Is that a fair statement?

Mr. SOWLE. Yes, sir. I think that is exactly the theme that we have tried to present in our draft report and that will still be contained in our final report when it is submitted.

Senator DANFORTH. Could you briefly summarize the way in which procurement has become more sophisticated?

Mr. SOWLE. Well, I think the types of contracts that people must deal with, the complexity of our industrial structure, the complexity of weapons and other types of equipment that the Government buys—certainly all have become more complex. And the focal point for making business decisions in dealing with the suppliers is the contracting officer.

Now, obviously, the more complex the situation, the more assistance he does have and should have—legal support, engineering support, quality support—even on business decisions. None of the contracting officers are perfect in these areas, so they become more team members. But the more complicated their business decisions and the more involved they are with these other disciplines the more incumbent it is upon the contracting officer to have the characteristics that you have just pointed out.

Senator DANFORTH. It is my understanding that procurement is now a subject which is taught in colleges and universities and, in fact, that some degree programs are offered in procurement, even Government procurement. Is that correct?

Mr. SOWLE. Yes, sir, that is correct, and that is a rather recent development. I am sure you will hear more about that a little later this morning from Dr. Page. But Mr. Hunter has been working with the university people. He has compiled a list of colleges and universities which now have courses structured just for procurement and logistics-type areas. There are about 250 of those in his compilation, and some of them do offer graduate courses and undergraduate courses in the procurement field. George Washington University, here in town, for example, does, and American University has a significant program, undergraduate and graduate.

Senator DANFORTH. Now, with respect to Federal procurement officers, is there any requirement that they have a certain educational background?

Mr. SOWLE. These, of course, are the qualification standards that we are working on now. I think insofar as a specific requirement for a degree—Bill, you correct me if I am wrong—but I think there is no requirement for a college degree, either a baccalaureate degree or an advanced degree.

Senator DANFORTH. And is there any requirement at any level that specific courses be taken?

Mr. SOWLE. No, sir, not as of now. These are the things we are working on with the Office of Personnel Management and, of course, with the agencies.

Senator DANFORTH. Is there any type of professional certification for procurement people?

Mr. SOWLE. This varies. I am sure you will hear something about this this morning from the National Association of Purchasing Management. The National Contract Management Association has

9-457 O—82——2

a certification program which I think is now about 4 or 5 years old. And these kinds of programs are getting much more attention and, I think, are doing a great service for the procurement community. They are well thought of. The associations are working with the universities and with the Federal Acquisition Institute.

Senator DANFORTH. Do you think it would be a good idea or a bad idea to have strict rules for educational background for procurement officers?

Mr. SOWLE. I think minimum competing requirements would be an excellent idea, phased in over a period of time so that when you are talking about warranted contracting officers, for example, you would have a pretty good idea of their background and training and their potential for satisfying the responsibilities of a contracting officer.

In my judgment, the contracting officer per se is becoming more and more a professional, or should be a professional, and if this is true, then obviously there should be certain qualifying standards.

Senator DANFORTH. And would you feel the same about certification requirements?

Mr. SOWLE. Yes, absolutely.

Senator DANFORTH. In some other fields, the need for specific degrees, for example, and the need for certification have been criticized. For example, some would argue that the requirement of a Ph. D. degree has been overdone, that the Ph. D. degree has become what amounts to a union card for college teaching, and that there should be alternative ways of preparing for teaching other than getting a Ph. D. Is there a possibility that a formal requirement for a specific educational program could perhaps backfire and exclude people who would be very competent?

Mr. SOWLE. Well, considering where we are in the spectrum today, if that occurs I think it would be a long way down the road. I think the need to establish better standards for contracting officers is something that we can work on for a long time before we'll get to the point where we will be criticized for having standards that are too high. I just don't see that as an immediate problem. Possibly in 25 or 30 years, that might be true.

Senator DANFORTH. The same criticism has been made in certain cases with respect to certification. We have licensing requirements for various professions that amount to a way of keeping down competition, raising the value of those who are in the profession. State licensing requirements for, say, barbers have been criticized for that reason. Do you see any problem in the certification requirements for procurement people?

Mr. SOWLE. I think at the present time I would rather err on the side of going too much in that direction than the situation we have today where, without meaningful requirements, certifications, or standards for entry into the procurement field, unqualified people enter because they are already in the system. They are a part of the Government organization, able to move laterally or even up into procurement positions. I think if that is a risk I'd rather take that risk than the one that we have today.

This is not true at all levels. I want to be sure that I am not condemning at all, in any way, the very competent people that we have at high levels.

Senator DANFORTH. I know that it is hard to generalize, for the reasons that you just gave, but if you were to compare where we—we, being the Federal Government—where we should be in numbers, quality, and training of procurement personnel and where we are, how would you make that comparison for today's procurement people?

Mr. SOWLE. I don't know. Maybe Bill would have a better view on this than I; but I would say, on a scale of 1 to 10 with 1 being the lowest—overall we are probably 70 percent of where we probably should be—a 7 on a scale of 1 to 10.

Senator DANFORTH. How would you describe where we should be? Where do we fall short?

Mr. SOWLE. Well, I think where we fall short is that we are not particular enough in screening out the kinds of people who are not really qualified to make business decisions. They don't have the background or experience. Bringing qualified people in at the lower levels and having sufficient funds for training or enough training courses that are balanced across the Federal agencies are the greatest areas in which we have to make improvements.

At the higher end of the spectrum, where you will find most of our really capable, competent, qualified contracting personnel today, improvements are not needed. I don't think we need to do much for those people, but we need to bring young people into the system who do have the capability of being trained, and with the proper educational background so that they can pick up the experience of the older people who are moving out.

Senator DANFORTH. Do you feel that the problem is not people at the higher echelon but the younger people entering?

Mr. SOWLE. Younger people coming in.

Senator DANFORTH. Is that a salary problem or a training problem? More a training problem than a salary problem? Or is it both?

Mr. SOWLE. I don't know. Maybe it is a personnel system problem. Frequently, young people are brought into the system, that is, we go out and recruit interns and get them pretty well trained, and then with variations in the work force needs, these same younger people are sometimes required to move out of the system. If they can't see a possibility for improving themselves and their careers, then they tend to move out. They have gained a little experience, and they will move out and take on another job. Or they may even be forced out through reductions in force, even reductions through attrition. They tend to move away.

Bill, you may want to add to that?

Mr. HUNTER. I think you covered it quite well.

Senator DANFORTH. How would you compare the quality of Government people in the procurement field with the quality of their counterparts in the private sector?

Mr. SOWLE. Again, I think that runs the spectrum. Our people at the top levels, I believe—those who have been in the system who have been trained and have the necessary educational backgrounds and the experience—I think we can match those people against people in industry across the board.

However, again, there is a tendency at a certain point for fairly young people, after they can retire from the federal system, to take opportunities with industry and improve their financial status.

But as far as the capabilities, I think there are just as many good people in Government at the very top levels as there are in industry. In fact, some of the industry people have come from Government.

Senator DANFORTH. I think that you have met with Dr. Devine concerning drafting standards for contracting personnel, is that right?

Mr. SOWLE. Yes, sir, that is correct.

Senator DANFORTH. What is going on?

Mr. SOWLE. Well, of course, the standards, as you are probably aware, are now in the process of being reviewed, analyzed by the OPM, and eventually will be issued. However, as you know, you, Senator Chiles, and many others have taken a great interest in what these standards eventually will be. My meeting with Dr. Devine was to try to get some understanding that the standards didn't meet the requirements as we see them now, even with the revisions they are going through, and that we would like to have an opportunity to look at the standards before they are finally published.

Now, I am continuing to work with Dr. Devine in this area, and I am pretty optimistic that we will come out with standards that will be satisfactory, thanks to you and a lot of other people.

Senator DANFORTH. Just one other question. Do you have a feeling for differences within the Government, between various departments, in the quality of requirements that they place on their procurement personnel? Are there some departments of Government that do a better job than others?

Mr. SOWLE. Yes, I think this is true.

Senator DANFORTH. Are there some lessons to be learned?

Mr. SOWLE. This is definitely true. I think the better people, for the most part, have followed the more complex type of procurement situations. Initially, the Defense Department obviously had most of the procurement, most of the training, recruited most of the people for procurement, and provided more help in career development to carry out their work. As other organizations, such as NASA, for example, came into being, people migrated from Defense to NASA, and they brought in some of their own people and started to build from there.

I'd say that some of the agencies, three or four agencies perhaps, have an edge on some of the other agencies, and again, those follow pretty much the full spectrum of not so good to excellent.

However, in every case, I think there is room for improvement; and more training and more attention to the procurement work force should be given.

Senator DANFORTH. I take it from your answer that one of the things that would characterize the better departments is the aggressive recruiting of procurement personnel. Would that be correct?

Mr. SOWLE. Recruiting and training, career opportunities.

Senator DANFORTH. Do they have in-house training programs?

Mr. SOWLE. Yes, most of the better departments do. This is one of the things that Mr. Hunter is working on with the agencies on a cooperative basis. In some cases, the training programs overlap, and then the training per se is better in some agencies than others. And likewise, there are some voids. By trying to line up all of these training programs—to see where they are given and where the voids are and where the strong parts are—we think that, working with the agencies, we can be of assistance in spreading the training more evenly across all of the departments.

Senator DANFORTH. Mr. Sowle, I think it is clear that the whole question of procurement—particularly at a time of tight budgets and the desire of Congress to get the best deal possible—is one that Congress is going to be interested in and the American people should be interested in. In improving our procurement system, where would you rate personnel upgrading in that effort? To what extent is the subject of today's hearing, namely, the need to attract good, trained personnel, and possible improvements in that area, a major concern to you in improving the whole field?

Mr. SOWLE. Well, of course, as I see the total spectrum of procurement today and the areas that need improvement, we can put in the best automated systems, we can simplify the process, and we can do a lot of other things; but people are still the key to assuring that we have good business relationships with our suppliers and that the Government's interests are taken into full consideration in every contract that is awarded and in the administration of every contract that we have with the private sector.

And so, as I mentioned earlier in my statement, I feel that the procurement work force is probably one of the most important of all of the areas that we are touching upon in our proposal to this Congress.

Senator DANFORTH. Thank you very much.

Mr. SOWLE. Thank you, sir.

[Mr. Sowle's prepared statement and the schedule for the Uniform Federal Procurement System follow:]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

HOLD FOR RELEASE UNTIL DELIVERY EXPECTED AT 10:00A.M., JANUARY 27, 1982

STATEMENT OF DONALD E. SOWLE
ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY
OFFICE OF MANAGEMENT AND BUDGET
BEFORE THE
SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES
OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I APPRECIATE THE OPPORTUNITY TO COME HERE TODAY AND DISCUSS THE FEDERAL PROCUREMENT WORK FORCE. OF THE MANY GOALS CONTAINED IN OUR DRAFT PROPOSAL FOR A FEDERAL PROCUREMENT SYSTEM, PREPARED IN ACCORDANCE WITH P.L. 96-83, I BELIEVE THAT A PROGRAM TO DEVELOP A MORE PROFESSIONAL AND COMPETENT WORK FORCE WOULD RATE NEAR THE TOP. THEREFORE, I WOULD LIKE TO BRIEFLY SUMMARIZE THE NEED FOR SUCH A PROGRAM, THE PREREQUISITES FOR ESTABLISHING A SUCCESSFUL PROGRAM, AND THE SPECIFIC GOALS TO BE ACCOMPLISHED BY THE PROGRAM.

THE NEED FOR A GOVERNMENT-WIDE CAREER PROGRAM FOR PROCUREMENT

PROCUREMENT MANAGERS HAVE LONG STRESSED THE IMPORTANCE OF A PROFESSIONAL WORK FORCE FOR THE EFFICIENT OPERATION OF THE PROCUREMENT PROCESS, (I.E., THE WAY THE GOVERNMENT SPENDS

$130 BILLION [IN FY 81] OF THE TAXPAYER'S MONEY FOR GOODS AND SERVICES). THE HOOVER COMMISSION, THE COMMISSION ON GOVERNMENT PROCUREMENT, AND THE COMPTROLLER GENERAL HAVE ALL STRESSED THE NEED FOR A QUALIFIED WORK FORCE. I DO NOT MEAN TO IMPLY THAT WE DO NOT NOW HAVE COMPETENT PROCUREMENT PROFESSIONALS BECAUSE WE CERTAINLY DO. HOWEVER, THE TREND IN QUALIFICATION AND TRAINING IS GOING THE WRONG WAY. AS THE PROCUREMENT BUDGET GROWS AND PROCUREMENTS BECOME MORE COMPLEX, WE NEED TO ENSURE THAT THE WORK FORCE KEEPS PACE BOTH IN QUALITY AND QUANTITY. PROCUREMENT SYSTEMS CANNOT WORK EFFECTIVELY UNLESS THEY ARE STAFFED BY DEDICATED PROFESSIONALS WHO CAN EXERCISE PROPER INITIATIVE AND JUDGMENT IN MAKING COMPLEX AND VITAL PROCUREMENT DECISIONS WHEN DEALING WITH THE PRIVATE SECTOR.

AS STATED IN OUR DRAFT PROPOSAL, WE BELIEVE THAT SUCH PROFESSIONALS WILL ENABLE US TO EFFECTIVELY PERFORM PROCUREMENT FUNCTIONS WITH FEWER REGULATIONS AND TO ELIMINATE FOLLOWING STEROTYPED PROCEDURES WHICH ARE NOT ALWAYS IN THE BEST INTEREST OF THE GOVERNMENT AND THE SUPPLIER.

OFPP'S ROLE IN ESTABLISHING A GOVERNMENT-WIDE PROGRAM

UNTIL RECENTLY THERE WAS NO ONE WHO HAD RESPONSIBILITY FOR IDENTIFYING, ANALYZING, AND MEETING THE NEEDS OF THE PROCUREMENT WORK FORCE ON A GOVERNMENT-WIDE SCALE. THE GOVERNMENT'S

PERSONNEL MANAGEMENT MACHINERY, WITH ITS USEFUL AND VALUABLE PRODUCTION, DOES NOT FOCUS ON THE TASK OF SYSTEMATICALLY PROFESSIONALIZING AN ENTIRE CAREER FIELD. THE FEDERAL ACQUISITION INSTITUTE (FAI), AS ORIGINALLY PROPOSED BY THE COMMISSION ON GOVERNMENT PROCUREMENT, SERVES TO BRING ALL THE AGENCIES TOGETHER, INCLUDING PROCUREMENT AND PERSONNEL MANAGERS, TO ESTABLISH AN INTEGRATED PROCUREMENT CAREER MANAGEMENT SYSTEM COMPRISED OF COMPETENT PROCUREMENT PROFESSIONALS.

PREREQUISITES FOR ESTABLISHING A SUCCESSFUL GOVERNMENT-WIDE PROGRAM

THERE ARE THREE BASIC PREREQUISITES FOR A SUCCESSFUL PROGRAM: FIRST, INFORMATION ON THE WORK FORCE NECESSARY FOR DEFINING WORK FORCE NEEDS; SECOND, AGENCY AND INTERAGENCY COMMITMENT TO RESPOND TO THE NEEDS; AND THIRD, THE ASSIGNMENT OF AUTHORITY, RESPONSIBILITY, ACCOUNTABILITY AND RESOURCES FOR MEETING THE NEEDS.

NINE YEARS AGO THE COMMISSION ON GOVERNMENT PROCUREMENT RECOGNIZED THAT PERSONNEL MANAGEMENT INFORMATION SYSTEMS WERE UNABLE TO PROVIDE ADEQUATE INFORMATION ON THE PROCUREMENT WORK FORCE, AND THAT IT WAS IMPOSSIBLE TO ACCUMULATE SUFFICIENT INFORMATION FROM FEDERAL AGENCIES TO STUDY OR ANALYZE THE CHARACTERISTICS OF THE OVERALL PROCUREMENT WORK FORCE. TODAY, THE FAI IS UNDERTAKING THE DEVELOPMENT OF THIS VITAL DATA. WE ARE PRESENTLY WORKING WITH THE DATA COLLECTED BY

THE OFFICE OF PERSONNEL MANAGEMENT ON ALL FEDERAL EMPLOYEES AND ARE DEVELOPING SOFTWARE WHICH, FOR THE FIRST TIME, WILL ALLOW PROCUREMENT MANAGERS TO OBTAIN AND USE THE DATA TO DETERMINE AND MANAGE THEIR WORK FORCE NEEDS.

ONCE WORK FORCE NEEDS ARE IDENTIFIED, THE SECOND PREREQUISITE IS AGENCY AND INTERAGENCY COMMITMENT TO MEET THEM. WE CANNOT CREATE A PROFESSIONAL WORK FORCE BY FIAT. IT CAN COME ONLY FROM THE INDIVIDUAL AND COMBINED EFFORTS OF PROCUREMENT AND PERSONNEL MANAGERS THROUGHOUT THE GOVERNMENT WITH SUPPORT FROM THE AGENCY HEADS. OUR ROLE, THEREFORE, IS TO PROVIDE LEADERSHIP BY WHICH THESE MANAGERS WILL BE ENCOURAGED TO IMPROVE THEIR PROCUREMENT WORK FORCE. WORKING THROUGH INTERAGENCY COMMITTEES SPONSORED BY FAI, THE AGENCIES WILL COOPERATIVELY SET STANDARDS, DRAFT PLANS, AND IMPLEMENT PROJECTS VITAL TO CAREER DEVELOPMENT. THROUGH THESE JOINT ACTIVITIES WE ALSO AVOID DUPLICATION OF EFFORT AND ACHIEVE ECONOMIES IN MEETING COMMON NEEDS. ONE EXAMPLE IS THE NEW INTERAGENCY TRAINING PROGRAM MANAGED BY GSA.

THE THIRD PREREQUISITE FOR SUCCESSFUL CAREER MANAGEMENT PROGRAMS IS TO ESTABLISH CLEAR LINES OF AUTHORITY, RESPONSIBILITY, AND ACCOUNTABILITY FOR RESULTS. APPOINTMENT OF PROCUREMENT EXECUTIVES WITH THE RESPONSIBILITY AND ACCOUNTABILITY FOR DEVELOPING A FULLY PROFESSIONAL WORK FORCE AS ONE OF THEIR MAJOR TASKS IS A HIGH PRIORITY. WE MUST ALSO ENSURE THAT THEY HAVE ADEQUATE RESOURCES TO MEET THEIR NEEDS. UNTIL

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PROCUREMENT EXECUTIVES HAVE SUCH BACKING AND COMMITMENT FROM TOP LEVEL MANAGEMENT, THEY WILL NOT BE ABLE TO ESTABLISH MEANINGFUL CAREER MANAGEMENT PROGRAMS FOR PROCUREMENT PERSONNEL.

GOALS OF THE GOVERNMENT-WIDE CAREER MANAGEMENT PROGRAM

THE TASK OF DEVELOPING AND MAINTAINING A PROFESSIONAL WORK FORCE REQUIRES A COMPREHENSIVE SYSTEMS APPROACH. THE SYSTEM WILL INCLUDE MANY INITIATIVES THAT ARE VITAL TO ACCOMPLISHING THIS OBJECTIVE. THE FOLLOWING INITIATIVES ARE AMONG THE MOST IMPORTANT:

1. THE ESTABLISHMENT OF CAREER MANAGEMENT PLANS. THESE PLANS WILL ESTABLISH DEVELOPMENTAL REQUIREMENTS FOR THE WORK FORCE, INCLUDING THE FIELD OF SMALL PURCHASES, WHICH HAS BEEN ALMOST ENTIRELY NEGLECTED TO DATE;

2. THE DEVELOPMENT OF REALISTIC CLASSIFICATION STANDARDS. THE OFFICE OF PERSONNEL MANAGEMENT HAS THE RESPONSIBILITY TO DEVELOP CLASSIFICATION STANDARDS. PROCUREMENT STANDARDS MUST ACCURATELY REPRESENT AND MATERIALLY ADVANCE THE QUALITY AND PROFESSIONALISM OF THE PROCUREMENT WORK FORCE, AND UNLIKE THE PRESENT STANDARDS, RECOGNIZE THE HIGH LEVEL OF KNOWLEDGE AND EXPERTISE REQUIRED FOR SOUND PROCUREMENT DECISIONS;

3. CONTINUED DEVELOPMENT OF AN ACADEMIC BODY OF KNOWLEDGE. THIS IS THE HALLMARK OF OUR PROFESSION. TO DATE WE HAVE WORKED WITH PROFESSIONAL, EDUCATIONAL, AND ACADEMIC INSTITUTIONS IN THE ESTABLISHMENT OF PROCUREMENT PROGRAMS. MORE THAN 250 COLLEGES AND UNIVERSITIES ARE CURRENTLY PARTICIPATING;

4. BETTER PROCUREMENT TRAINING. THIS INVOLVES THE DEVELOPMENT OF NEW TRAINING PROGRAMS, NEW INSTRUCTIONAL MATERIALS, AND STANDARDS FOR TRAINING EMPLOYEES IN COMMONLY PERFORMED TASKS;

5. MORE INTERN AND COOPERATIVE EDUCATION PROGRAMS.

6. THE DEVELOPMENT OF NEW QUALIFICATION STANDARDS. THE NEW PROCUREMENT STANDARDS, UNLIKE THE PRESENT STANDARDS, WILL BE STRUCTURED TO ASSURE THAT ONLY QUALIFIED PERSONNEL ENTER THE SYSTEM;

7. THE USE OF WRITTEN EXAMINATIONS TO FILL ENTRY LEVEL POSITIONS. THESE EXAMINATIONS WILL REPLACE THE PROFESSIONAL AND ADMINISTRATIVE CAREER EXAMINATION (PACE), WHICH IS BEING PHASED OUT BY THE OFFICE OF PERSONNEL MANAGEMENT (OPM);

8. THE DEVELOPMENT OF A UNIVERSAL PROCUREMENT CERTIFICATION PROGRAM. THIS WILL BE ACCOMPLISHED

THROUGH RECOGNIZED PROFESSIONAL ASSOCIATIONS SUCH AS THE NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT, THE NATIONAL CONTRACT MANAGEMENT ASSOCIATION, THE NATIONAL INSTITUTE OF GOVERNMENTAL PURCHASING, THE NATIONAL ASSOCIATION OF STATE PURCHASING OFFICALS, AND THE SOCIETY OF LOGISTICS ENGINEERS;

9. THE USE OF QUALIFICATION STANDARDS FOR WARRANTING CONTRACTING OFFICERS;

10. IMPROVED PERFORMANCE APPRAISAL SYSTEMS. THESE SYSTEMS WILL BE BASED ON CONSISTENT, EQUITABLE, AND PRACTICAL STANDARDS FOR PERFORMING CRITICAL PROCUREMENT DUTIES. THIS WILL ALLOW MANAGERS TO HOLD PROCUREMENT SPECIALISTS ACCOUNTABLE FOR THEIR WORK AND ALSO EVALUATE THE EXERCISE OF CONTRACTING AUTHORITY; AND

11. MORE INCENTIVES FOR EXCELLENCE IN PERFORMANCE. THESE INCENTIVES WILL SUPPLEMENT THE CASH AWARDS AND HONORARY CITATIONS AVAILABLE UNDER REGULAR AWARDS PROGRAMS.

THE DEPARTMENTS AND AGENCIES, WORKING WITH THE FAI, ARE MAKING SIGNIFICANT PROGRESS TOWARD ACCOMPLISHING MANY OF THESE INITIATIVES AND THEY ARE CLEARLY COMMITTED TO THEM. I HOPE THAT THE MEMBERS OF THIS SUBCOMMITTEE WILL ALSO SUPPORT THESE VITAL INITIATIVES. WITH THE CONTINUED INTEREST OF YOUR SUBCOMMITTEE I AM CONFIDENT THAT OUR TASK OF IMPROVING THE PROFESSIONALISM OF THE WORK FORCE WILL BECOME A REALITY. WITHOUT A PROFESSIONAL AND DEDICATED WORK FORCE WE CANNOT BE SURE OF THE EFFECTIVE, EFFICIENT, AND JUDICIOUS EXPENDITURE OF $130 BILLION IN PUBLIC FUNDS.

THIS CONCLUDES MY PREPARED REMARKS. I WILL BE HAPPY TO ANSWER ANY QUESTIONS.

UNIFORM FEDERAL PROCUREMENT SYSTEM

Project Schedule - Phase II*

Action	Description	Dates	Duration**
1	Enumerate, categorize and spread sheet all comments received on UFPS draft proposal	Nov 6 - Jan 15	41 days
2	Analyze comments, determine disposition and revise the UFPS draft proposal, as appropriate	Dec 11 - Feb 26	52 days
	o Prepare and submit decision papers on unresolved issues, if any, for Director's consideration	(Jan 21-29)	(7 days)
	o Rewrite proposal to reflect substantive public/agency comments and Director's decisions on outstanding issues, as necessary	(Feb 1-10)	(8 days)
	o Prepare final version	(February 10-15)	(4 days)
3	Develop Executive Order to implement those portions of the UFPS proposal not requiring legislative action and obtain preliminary concurrence of OMB/Executive Agencies	Jan 4 - 29	20 days
4	Coordinate final draft of proposal (and E.O.) within OMB, principal procurement agencies within the Executive Branch and the Executive Office of the President, as necessary	Feb 10 - 19	8 days
5	Obtain Presidential approval, signature, and issuance of the Executive Order	February 22	1 day
6	Convene Federal Procurement Council and provide an in-depth briefing on the proposal	February 23	1 day
7	Prepare final typed version of the proposal for submission to the Congress	Feb 22 - Apr 16	40 days
	o Submit typed copies to the Speaker/ President pro tem	(February 26)	(1 day)
	o Provide one typed copy to printer for typesetting and reproduction	(Feb 26 - Apr 16)	(36 days)
8	Transmit copies of printed proposal to the Speaker and President Pro Tem, the agencies and the public, and issue press release	April 16, 1982	1 day

* Revised January 22, 1982
** In working days unless otherwise noted.

Senator DANFORTH. Our next witness is Prof. Harry Page of The George Washington University.

TESTIMONY OF HARRY ROBERT PAGE, PROFESSOR, SCHOOL OF GOVERNMENT AND BUSINESS ADMINISTRATION, THE GEORGE WASHINGTON UNIVERSITY

Mr. PAGE. Good morning, Mr. Chairman.

I see from your witness list that I am the only person representing an academic institution. I hope that all present will realize that no one can speak for the academic community.

Senator DANFORTH. A lot of people try to.

Mr. PAGE. Well, I'll try to. I have served for 13 years now on what is called the Academic Planning Committee of the National Association of Purchasing Management. This is a group of professors representing schools across the country. We maintain a very close liaison with the academic world and especially with the schools that are interested in the field that we are talking about this morning.

I've been the associate dean of the School of Government and Business Administration at The George Washington University, and I have chaired their business administration department for 10 years. So I have some feeling, I think, for the academic aspects of our problem.

What the academic community looks for are two things. First, they want to know if there is an audience, if there is a population that needs instruction.

Listening to the debates on the procurement work force and reading a lot of the material, I think that most of us take far too narrow a view of the procurement work force. Some of us look only at the Federal GS-1102 population, about 20,000 or so contract and procurement officers. Others widen this to include the total occupational group, which will pick up the quality assurance people and the industrial people, and you double the population. You get up to 40,000 or so civil service employees.

Most of the material forgets entirely about the uniformed work force in this area. I spent some time in the Air Force, and I checked the December 31 figures. The Air Force on that date had 3,809 officers serving in procurement and contracting and acquisition positions.

If we look at the other services—Army, Navy, a few Marines, a few Coast Guard—there must be easily 11,000 military people in this business.

So we are up around 50,000 or so in the Federal Government. And just by coincidence the Bureau of Labor Statistics reports that there are some 50,000 or 60,000 management people in the national work population, out of some 370,000, that they report as working in the procurement area.

A lot of these are State and municipal people. We've got 81,000 counties, cities, port authorities, school commissions, and highway commissions that have organized purchasing activities.

So it seems to me it would be important to present a face to the academic community that there is this large population made up of industrial and governmental purchasing people, and that's what

the universities look for. They are not really interested in tailoring education to some narrow individual group. They are interested in educating the broad, general population.

This is to our advantage because all of these things fit together. Industrial contracting and procurement people are often handling subcontracts and major Federal contracts. State and local people are spending grant and cooperative agreement money. They all have to know how it all works. They all have to know how it all fits together.

I think this is something that the Commission on Government Procurement had in mind. I chaired the task group on education in that Commission, and the report that we wrote spoke of what we called the Federal Procurement Academy—actually one of Congressman Chet Holifield's terms, Federal Procurement Academy—and we envisioned this as having a very broad influence on the entire procurement community.

In some of our discussions we talked about the Federal Bureau of Investigation and the role that they play through their Academy and other programs in educating State and metropolitan police forces.

I personally would put in a plug for asking the FAI, the Federal Acquisition Institute, to broaden their sights and think about the whole work force, not just the small Federal segment of the work force.

The other thing that the academic community looks for is: Is there something to be taught, is there a body of knowledge? And I think we can establish that there is a body of knowledge and that there is education, real learning, not just training. This harks back to one of the points made by Mr. Sowle a few moments ago. Universities are interested in education and stressing the theoretical, long-haul values, and there is a lot of such content in this field. The theories of economics, of cost, price, and value; theories of accounts; principles of management; techniques of abstraction and model building are all very important to this function.

So there is something to be taught. There is a growing body of literature. There is a growing body of academic programs. There is a growing body of qualified professors. And I think what we need now is to make use of this, to encourage this, to provide opportunities, to provide incentives, to take advantage of this situation. And some of these incentives could include the professional certification that you mentioned earlier. All of the professional certification programs take into account the educational level that the applicant has achieved, and I think this is very important.

Another thing that is very important to me is recognizing education in the recruiting of the work force. I have here some want ads torn from the Washington Post and the New York Times: "Baccalaureate degree required"; "a degree in business administration or related field necessary"; "a technically oriented person with a degree in management"; and here are several others. All of them, and these are quite typical of the private sector, all of them put a lot of stress on educational preparation.

As I say in my prepared statement, which I furnished to your staff, formal education is necessary. I would say that professional certification is desirable.

I think that is enough to highlight the points that I would like to make. I am open to your questions or comments.

Senator DANFORTH. Thank you. Your complete statement will be made a part of the record of this hearing.

Briefly, what form does this education take? I would think that somebody who doesn't know anything particularly about purchasing would say, well, a purchaser tries to make a good deal. That's not a particularly academic field. How would you respond to that? What sorts of things do you teach?

Mr. PAGE. Education starts with basic business knowledge. How do businesses and corporations work? How are they organized? What is their financial structure? How do they conduct their marketing programs? Things of that kind are covered.

I think that this has overriding importance, instruction in the basic business knowledge. If a Government contracting person does not know the financial structure of the vendor firm and he doesn't have any idea what kind of investment they have, what money costs them, what sort of financial objectives they have, he's not in a very good position to do business with that vendor firm.

Likewise, if he doesn't have an understanding of the basics of manufacturing and production, he's in a poor position to talk production schedules, learning curves, direct costs, and so on.

So I would make the point that a basic business education is essential, and the courses should include accounting, and applications of statistics and mathematics as well.

Now, beyond that, you build with courses in which you apply these specific things to purchasing and contracting functions, courses in pricing and negotiation, cost analysis, value analysis, courses in the administration of contracts, applications of quality assurance, scheduling of deliveries, programing of production.

Across the country, you find a dozen or so schools that have master's level programs such as we do at The George Washington University, where we offer five courses in procurement and contracting beyond the basic business subjects. At the undergraduate level, you find a couple of dozen schools that do the same thing. American University has been mentioned. The University of the District of Columbia is another. Bowling Green University is another. Michigan State, the University of Arizona State—they are all in this group. They do the same thing. They teach the basic business subjects and then they overlay with four or five specialized courses in procurement and contracting. And then you have a couple of hundred schools that offer single courses in purchasing or procurement that students can take as an elective to combine with their studies of finance, or marketing, or production. That's generally the structure of instruction.

Senator DANFORTH. A person, to be adequately prepared academically to be in this field, would he have to get a degree in it, would you think? Would it have to be undergraduate training or would it be postgraduate?

Mr. PAGE. I have to emphasize that I am responding personally now. I would not stress the importance of a degree in procurement and contracting or purchasing. I would stress the importance of a degree in business or management, with at least some elective courses or some familiarization with purchasing. I really think it is

unrealistic to look for a large number of schools offering degrees in purchasing or procurement and contracting.

Senator DANFORTH. I would think that it would be rare that a young person right out of high school would have in mind that he would want to be in procurement. He would have in mind that he would want to be in business and then he would take a course in procurement.

Mr. PAGE. Again, this is an area where we have a lot of different views. I think it is unrealistic to ask a 17-year-old boy or girl right out of high school to decide to study engineering or decide to study premed. My personal preference would be that they would all take an arts and letters baccalaureate and then go on. But that's just a strictly personal feeling.

Senator DANFORTH. You are not urging a specific academic requirement such as a specific postgraduate degree or a union card approach to training procurement people. What you are suggesting is simply that colleges and universities make available courses in the field and that it be possible for a person who is interested in procurement to go into it?

Mr. PAGE. I am encouraging what I would call formal education in business and management with such additional preparation in procurement and contracting as would be appropriate. Here in Washington, it is perfectly logical for a university to devote some of its resources to a major in procurement. Out in Fort Collins, Colo., they offer a single course and they do well with their population with that one course.

Senator DANFORTH. Do you think that we should have some requirement that people who are in this field for the Federal Government meet academic requirements, prerequisites, whether it is a specific degree or whether it is a specific set of courses?

Mr. PAGE. Yes, I certainly do agree with that. I think it is perfectly logical to say in a job classification standard that a baccalaureate in management, business, accounting, or related fields is necessary. The military does this now. If you look at the military occupational specialities, they will specifically call for a baccalaureate degree and specialized graduate instruction. I don't know why the civilian classification standards couldn't be somewhat similar.

Senator DANFORTH. And you also support certification?

Mr. PAGE. Yes, very much. To me, certification does one thing. In order to get certified, you've got to study. You've got to undertake some education. This is proof of a commitment, I would say, to professional improvement. Certification has an incentive value. It also has an employment value to both the employee and the employer. The certification says that the bearer at least has minimum qualifications in the field. I've worked with all three of the associations on their certification exams, and I think I can say very honestly that the person who passes those exams does possess minimum qualifications in the field. The exams are very rigorous.

Senator DANFORTH. You teach here in Washington. Do you have a judgment on whether or not our Federal procurement officers are by and large up to the standards that they should be?

Mr. PAGE. I could not make such a judgment based on my students because the students who come to the university are more highly motivated, the better people by far, and I am very im-

pressed with them. I really have very little feeling for what I would call the mass of the Federal procurement work force that I don't see in the classroom. I honestly don't.

I know the statistics. I know the age profile, the educational profile, and it is not very impressive. That's about as far as I could go on that.

Senator DANFORTH. The age profile?

Mr. PAGE. By that I mean that a great many of the work force are approaching retirement. They are older people, many of them people that I have personally worked with back in World War II and right after World War II, which is *x* years ago, 40 years ago, 38 years ago.

The data, I am sure, are available. Mr. Sowle's office puts out a periodic publication of age distribution and education distribution.

Senator DANFORTH. And based on that, particularly with respect to the educational background, you are not impressed?

Mr. PAGE. I would have to say that I feel that the work force is very deficient in its professional preparation. The number of people that we bring to our program is relatively small. At GWU we have graduated 300 or 400 M.B.A.'s in procurement and contracting. I have no idea how many LL.M.'s. Ralph C. Nash and John Cibinic at the law school have a companion program of graduate study in procurement law, and they have graduated several hundred people. But before you can really make a dent in the work force, you have to graduate thousands and thousands.

Senator DANFORTH. Does the Federal Government recruit heavily among your graduates who are trained in procurement?

Mr. PAGE. No, they do not. And I am not aware of any place where the Federal Government really recruits on the campuses.

Now, they have a brochure that they furnish us, a brochure called Opportunities in Procurement, or something like that. But I see no emphasis. I don't see the sort of thing that I see in industry where firms actually come looking for people. They come to career days. They write and call asking for references.

Senator DANFORTH. People from industry do recruit these students?

Mr. PAGE. Oh, yes.

Senator DANFORTH. And they come on campus; they send you word ahead of time that they are coming, and students who are interested sign up and interview?

Mr. PAGE. Exactly.

Senator DANFORTH. The Government doesn't do that?

Mr. PAGE. Not in this field, not on our campus. Now, I can't speak for other campuses.

Senator DANFORTH. Wouldn't you think, though, that GWU being located right in the middle of Washington, that it would be a first place the Government would recruit?

Mr. PAGE. Yes, I would think so.

Senator DANFORTH. Wouldn't this be an easy way? If the problem is with the junior level or the younger people in our procurement force, wouldn't this be an easy way to upgrade it, to do a more impressive job in recruiting?

Mr. PAGE. Yes, it would be. It would be a very limited way. As I said earlier, we've been graduating a very small number. The exist-

ing program could handle a very small number of people. We do have three or four students who are attending under cooperative programs in which they are employed by Federal agencies and they are sent to school. We have, I suppose, 30 or 40 students who are getting tuition reimbursement from Federal agencies. This is just a drop in the bucket.

Senator DANFORTH. But you have produced several hundred a year?

Mr. PAGE. Not a year. We have produced several hundred over 14 years. We probably graduate 25 a year at the most.

Senator DANFORTH. Of course, if the Government were to recruit, not only at GWU, but at the other colleges that have procurement programs, that would have the effect, wouldn't it, of raising the visibility of Government procurement to the student body?

Mr. PAGE. Yes, certainly.

Senator DANFORTH. Demonstrating to students who are business students or even liberal arts students that: "Hey, here is a field where there is a demand, a need, and it is interesting; and here are these go-getters from the Federal Government who are on our campus interviewing." Wouldn't that be a plus? I would think so.

Mr. PAGE. Yes, it certainly would. It certainly would. And it would be even more of a plus if they would go to the campuses that have undergraduate programs, such as Bowling Green State University and Michigan State University, where people who are making their initial entry into a career are being graduated.

Senator DANFORTH. Clearly, they wouldn't do it there if they don't do it at GWU.

Mr. PAGE. Well, GWU has only a graduate program, and most of our graduate students have made career decisions. Many of them are already employed by the Federal Government. They are employed by corporations that have offices here.

Senator DANFORTH. You have only a graduate program?

Mr. PAGE. We have only a graduate program here in Washington. American University and the University of the District of Columbia have baccalaureate programs.

Dr. Max Weiner, who has been associated with the University of the District of Columbia program, is in the audience, I notice.

Senator DANFORTH. It might be a drop in the bucket—but I think active Government recruiting would be a way to make more of what you have now. Our colleges and universities have programs—a graduate program at your university, undergraduate programs at American University, Bowling Green, or wherever else. If Federal managers want to upgrade the quality of their people at the younger levels, at the entry levels of procurement, they should just go out and recruit.

Mr. PAGE. You are exactly right, Mr. Chairman, and I am sure there is nothing that we would like better. The man who heads our program at GWU, Dr. Stanley Sherman, would be overjoyed to have a more overt role played by the Federal agencies in sending people, recruiting people, visiting with the students.

Senator DANFORTH. Where would the recruiters come from? Would they come from the sundry agencies or do we have a central recruiting office for procurement people?

Mr. PAGE. It would have to be agency people, from Defense, Energy, State, GSA, whatever, the agency people coming to recruit.

Senator DANFORTH. Wouldn't it be better if we just had one person come to the campus and say, "Here is the whole panoply of the Federal Government procurement"?

Mr. PAGE. I personally wouldn't think so.

Senator DANFORTH. No?

Mr. PAGE. Personally, I can't envision a single Federal Government recruiter. Even medium-sized corporations don't send out single recruiters. They send out divisional recruiters because the students want to talk to somebody who knows something about the operation and they don't want to talk to somebody from the personnel office, miles removed from the operation they might be involved in.

Senator DANFORTH. Thank you very much.

Mr. PAGE. Thank you, Mr. Chairman. I have enjoyed it. It is a very worthwhile project.

[Dr. Page's prepared statement follows:]

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STATEMENT OF
Professor Harry Robert Page
The George Washington University

before the
Senate Subcommittee on Federal
Expenditures, Research, and Rules

Committee on Governmental Affairs

pertaining to
the

Uniform Federal Procurement System

January 27, 1982

Mr. Chairman and members of the Subcommittee. I am Harry Robert Page, Professor of Business Administration at The George Washington University. I greatly appreciate this opportunity to provide my views on the subject of achieving a more highly qualified federal procurement work force.

My interest in this field is long standing. My first full-time employment was in materials management, inventory and distribution of construction supplies. In 1942, as a First Lieutenant in the

Army Air Corps, I was appointed as an Army Purchasing and Contracting Officer -- and I have been involved ever since in one aspect or another of purchasing and materials management.

I wish to concentrate on the line in the OFPP Draft Proposal for a Uniform Procurement System which reads," Higher standards will be set for recruitment, training, and qualifications of procurement personnel." (page iii) Also, I refer to a line in your invitation to appear here today which reads," Under the system being proposed, procurement officers will be called upon to exercise sound business judgement . . . ."

If the federal procurement officer is to exercise sound business judgement, she or he must be broadly prepared in the fields of business and management. Very few of the present work force are so prepared. Perhaps one third are college graduates, and no one knows how many of those have actually studied business and management -- or related subjects.

Competence in business and management can be taught and learned. The recognized accrediting association in the field, the American Assembly of Collegiate Schools of Businss (AACSB), spells out the "common body of knowledge", which includes;

a. processes and institutions in marketing and distribution, production and finance
b. economic and legal environment of business, social and political influences
c. concepts and methods of accounting, quantitative analysis, and information systems
d. organizational theory, interpersonal relationships, motivation, communication
e. administrative processes.

These are all required subjects for a baccalaureate or higher degree in business and management. The National Center for Educational Statistics (NCES) reports that 1,224 colleges and universities offer such instruction and grant such degrees. Some 228,000 degrees in business and management are granted each year in the United States -- nearly 20% of all of the degrees granted.

Additionally, there are perhaps 900 two-year institutions which offer instruction and grant degrees at the associate level in the field of business and management.

Beyond the "common body of knowledge" some 250 of these colleges and universities have been identified by the Federal Acquisition Institute (FAI) as offering specific instruction in procurement and procurement-related subjects. My school, The George Washington University, is one of these. Others, to name a few, include Ohio State University, Michigan State University, The Florida Institute of Technology, the University of Dallas, the American University, Bowling Green University, Arizona State University, the University of the District of Columbia, Miami University (Ohio), Hofstra University and the University of Virginia.

The educational opportunities exist, and they are being utilized to advantage -- by the private sector. On Sunday, I looked through the employment sections of the New York Times and the Washington Post. Numerous announcements were for positions in procurement and contracting with business firms. I quote from a few of them, ". . . an individual with a bachelor's degree (preferably in business)." -- " . . a BS in Business Administration or equivalent." -- ". . . a buyer who has a college degree preferably in the engineering or business/economics field." -- ". . . a degree in Business Administration or related field necessary."

Federal government position announcements do not include any such language. No formal educational preparation is mentioned. Under present standards education can not be a selection factor. This of course is one of the principal reasons for the relatively low level of professionalism in the federal procurement work force.

I strongly support the Committee's efforts to strengthen the Office of Personnel Management's qualification and classification standards for the GS - 1102, Contract and Procurement Series. It is essential for the long-term improvement of our situation that the highest feasible skill and knowledge standards be established.

The standard should state that formal education in business and management is necessary.

At another point (page 60) in the OFPP draft proposal the statement is made that in some agencies procurement personnel have been denied formal training because their supervisors gave too low a priority to training and education. My observation is that the supervisors would like very much to see their people better educated -- but they (the supervisors) do not have the resources. They do not have the manning "slack" to make possible the release of people for instruction. In fact, most federal procurement activities are inadequately staffed to perform basic functions -- let alone release people to attend courses. Also, training funds with which to pay and/or reimburse tuition costs have been cut deeply. Without adequate manning or funds the supervisors can do little.

I would summarize at this point by saying that the needed instruction is widely available, but those responsible for the federal procurement work force are not making use of it to the extent they should.

Another element of what we are discussing is professional certification. You are aware of the several professional organizations in the field; the National Association of Purchasing Management (NAPM), the National Institute of Governmental Purchasing (NIGP), the National Contract Management Association (NCMA), the National Association of State Purchasing Officers (NASPO), to mention those best known. All of these associations stress the importance of formal education for purchasing management. All of these associations confer professional certification. All certifications require specified levels of education, experience, and knowledge as demonstrated by formal written examinations.

Nationally, I would estimate that something like 11,500 persons are at this time certified by one or another of the organizations mentioned. Association officials who are meeting with the Committee

should be able to provide details on the certification programs. They differ somewhat -- but all who are awarded certificates have been identified as possesing the minimum knowledge and experience necessary to responsibly perform the purchasing function.

The professional certification movement should be recognized by OPM. Qualification and classification standards in the contract and procurement series should state,". . . professional certification desirable."

Earlier I had mentioned the "common body of knowledge" in business and management. For those not familiar with the business and management curriculum, I have drawn from several college catalogs descriptions of the course content:

Survey of Macroeconomics Basic economic concepts, economic organization, national income, supply and demand, labor and management, role of government, business cycles, monetary and fiscal policy, employment, inflation, welfare economics, international trade and payments.

Survey of Microeconomics Price theory, cost theory, competition, profit and incentive concepts, factors of production, income distribution, interest and capital.

Mathematics and Statistics for Management Mathematical and statistical concepts employed in the solution of managerial problems. Applications of functions, elements of calculus and linear algebra. Introduction to probability, frequency distribution, statistical inference, regression, correlation.

Financial Accounting Accounting concepts and procedures employed in managerial decision making; the understanding, interpretation and implementation of financial accounting. Computer-assisted solutions to accounting problems.

Organization and Management Organizational concepts, management principles, philosophy and theory in public and private organizations. Evolution of management thought, functions and practices, systems theory.

Operations and Logistics Management Basic principles and methods of manufacturing production and physical distribution; production facilities, plant and equipment. Application of production principles in service and public sector activities. Planning and analyzing operating systems. The use of higher-level programming language in computer-assited solution of operations and logistics management problems.

Marketing Management The marketing process from the viewpoint of the firm. Market analysis, product planning, channels of distribution, pricing, promotion, developing an integrated marketing plan. Computer-assisted solution of marketing problems.

Business Financial Management Theory, policy, and practice in financial management; financial analysis, sources of funds, investing, capital planning, financial budgeting. Computer-assisted solution of financial management problems.

Social and Legal Environment of Business Social forces acting on business management; business responsibility, morality, ethics. Legal setting of business in the United States. Doing business under the Constitution, federal and state legislation, agency orders, legal precedents.

Business Policy Analysis of business operational situations and policy issues from a general management point of view. Developing and implementing solutions to managerial problems. Cases and problems drawn from both domestic and international business.

Also, I have combined from several college catalogs descriptions of courses which would come under FAI's definition of "procurement and procurement related";

Industrial Purchasing and Materials Management Overview of industrial purchasing and materials management principles and practices. Organization and functions. Determination of requirements, source selection,buying practices, policies, ethics.

Public Purchasing and Materials Management Overview of purchasing and materials management in the public sector. Principles and concepts. Comparison of federal, state, and local practices; contrast with industrial sector. The diversity of public sector acquisition, similarities and differences in methods and procedures.

Production and Inventory Planning and Control Theory and practice in production-inventory planning and control. Focus on computer based material requirements planning systems, including aggregate planning, master scheduling, capacity planning, shop floor control , and inventory planning.

Transportation Distribution Strategies Planning and control of the enterprise transportation and distribution system. Emphasis on detailed examination of componenet parts of the movement and storage system.

Requirements Analysis and Materials Forecasting Requirements and supply dynamics. Origin of qualitative and quantitative requirements. Challenging requirements. Analyzing and forecasting supply situations. Dealing with scarcity. Materials trends and cycles. Influence of resource problems on business policy and strategy.

Pricing and Negotiating Cost and price principles, analysis of cost, profit, risk and price. Profit incentives. Relating contract type to invesment and risk. Setting negotiation objectives. Techniques, preparation and conduct of negotiations.

Contract Administration Surveillance of contract performance, measurement of progress, interpretation of specifications, quality assurance, changes, adjustments, terminations. Evaluation of vendor performance.

Purchasing and Materials Management Policy Integrating the entire purchasing and materials management program. Relationships with other functional areas of management. Cases and problems. Emphasis on problem definition and resolution, planning implementation, improving overall performance.

The kind of instruction needed by members of the federal procurement work force is available. Professional certification of men and women in the field of purchasing-procurement-contracting is a reality. The means of developing a more highly qualified group of procurement personnel are at hand. But, the Office of Personnel Management needs to say that formal education in business and procurement management is necessary, and that professional certification is desirable.

This completes my statement Mr. Chairman. I will be happy to further develop any of the views expressed, or to answer questions.

Thank you.

THE
GEORGE
WASHINGTON
UNIVERSITY

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Harry Robert Page, Professor of Business Administration at The George Washington University, has a background in management and management education extending over forty years. His principal experience has been in materials management. He has been a materials manager in the constuction industry; a government contracting officer; the Director of Supply and Services of the United States Air Force in Europe; Chief of Equipment Programs, Hq USAF; Executive Officer of the Logistics Directorate of the U.S.Joint Chiefs of Staff; Senior Instructor in Logistics at the U.S. Army Command and Staff College; Consultant to the Advanced Study Program, The Brookings Institution; and Chairman of a task group of the Commission on Government Procurement. He has conducted management seminars throughout the U.S.A. and in France, Yugoslavia, Poland and Hungary. Dr. Page's fields of research and teaching are planning, programming and budgeting in government and in business; purchasing and materials management; project management; and management systems development. He is the founder of the graduate program in procurement and contracting at The George Washington University. His most recent book is Public Purchasing and Materials Management, Lexington Books, D.C. Heath and Company, 1980, 510 pages. His education includes: AB (Sociology) from Michigan State, MBA from Harvard, PhD from American University, and diplomas from the Command and Staff College and the Industrial College of the Armed Forces.

1/22/82

Senator DANFORTH. The next witness is Walter Eads, president of the National Association of Purchasing Management.

Mr. Eads?

TESTIMONY OF WALTER M. EADS, PRESIDENT, NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT, ACCOMPANIED BY E. J. BIERMAN, DIRECTOR, CERTIFICATION AND PROFESSIONAL ACTIVITIES

Mr. EADS. Mr. Chairman, I have with me this morning Dr. Edward J. Bierman, who is director of Certification and Professional Activities of our association.

The association appreciates the opportunity to provide our views on the subject of achieving a Federal procurement work force which is capable of exercising substantial responsibility and capable of exercising sound business judgment.

The National Association of Purchasing Management is a 67-year-old individual membership association with open lines of communication to almost 29,000 purchasing and materials management executives in industrial, educational, governmental, institutional, distribution, and service organizations. Active affiliated associations are located in 142 locations across the country. Purchasing men and women are helping others to learn through information exchange, regular meetings, educational programs, and conferences.

The association's objectives are intended to primarily foster the interchange of ideas and cooperation among its members; to promote the study, development, and application of purchasing management and materials management methods and practices; to disseminate information of interest and benefit to members, specifically the reliable purchasing manager's Report on Business, a monthly short-term economic barometer; to encourage the practice of high standards of personal and ethical conduct among people engaged in buying and selling; to encourage professional certification; to cooperate with other institutions to develop the educational courses, seminar programs, and materials needed by the practicing purchasing professional.

To achieve its primary educational objectives, the association's statement of policy is:

> The recognized standard of professional competency and achievement is the Association's Certified Purchasing Managers designation.
>
> The foremost intent of the National Association of Purchasing Management is to provide members of the profession with a wide range of educational opportunities.
>
> The Association perceives its educational involvement in a broader sense. Its concerns are not limited to the defined area of purchasing and materials management skills. It supports the general advancement of its members through its resources, and it has the responsibility for providing the leadership to those pursuing excellence in education, professional growth and development. To this end, the Association recognizes the significance of the 4-year college degree and the importance of the educational community to the profession.

We are extremely pleased to see this subcommittee examining procurement procedures and standards. The indepth discussion and review of the Federal procurement mechanism is long overdue.

However, the procurement process is accomplished by people. It is a decision-oriented activity that requires sound purchasing and business judgment. Such judgment is difficult to achieve simply by

reading regulations, attending courses, or studying the appropriate material. An individual must be competent in business and management matters. The understanding of international economic systems and the understanding of technical applications of materials supplies or services are required by the purchasing executive.

The National Association of Purchasing Management has evolved over the years a certification program which measures the purchasing practitioner's competency. Requirements for certification are contained in attachment I to my presentation. The requirements include education, experience, and contribution to the profession. All individuals must successfully pass four examinations: the purchasing function, the administrative function, the organizational function, and the continuing education function. Certification must be renewed every 5 years.

The certification program was established through a detailed review of the daily job-related elements that purchasing and materials management practitioners perform. Each of the job elements were identified and reviewed for frequency and degree of importance. They were categorized into examination specifications which are used in the preparation of examination questions.

Attachment II to my presentation includes a list of the current certification examination specifications. These specifications and the resulting examination questions concentrate on the basic principles and practices of the purchasing and materials management functions. Examination questions are written to measure candidates' understanding of the job element. Examination questions are designed to measure individuals' understanding and abilities at various levels of learning. These include: recall, comprehension application, analysis, decisionmaking, and judgment. Individual test questions are written by a representative body of purchasing professionals actively engaged in the function. The Educational Testing Service, Princeton, N.J., developed the testing methodology and adminsters the examination under contract with our association.

Attachment III to my presentation describes how examination questions are developed.

The reason the association is interested in bringing to your attention this comprehensive program is that in the short run we think it is a method of increasing the overall competence and professionalism of purchasing people. Our certification program does not differentiate between a Federal or industrial procurement person, but concentrates on the basic elements of the profession as determined by peers.

The National Association of Purchasing Management is convinced that the Certified Purchasing Managers program could be identified, as one of several methods available, to the Federal procurement work force for achieving professional competency. The inclusion of such a desirable requirement in the training and development of the Federal procurement work force would have immediate and significant results.

The reliance on the formal education processes for the training of individuals in purchasing and materials management techniques has significant limitations. Only recently have several universities added purchasing and materials management or logistics management programs to their curriculum. There is a severe shortage of

qualified faculty to teach procurement, materials management, and logistics courses. The number of individuals preparing to teach such courses is also limited. It will take considerable emphasis and funds to stimulate colleges and universities to expand existing programs.

It is obvious that our college and university system prepares business managers; however, the amount of training needed to develop procurement managers requires more than classroom instruction.

This completes my statement, Mr. Chairman. I will be happy to develop any ideas in more detail or to answer any specific questions that you may have.

Senator DANFORTH. Thank you. The attachments to your statement, to which you referred, will be included in the record of this hearing.

[Attachments I, II, and III referred to by Mr. Eads in his testimony follow:]

National Association of Purchasing Management

11 Park Place
New York, New York 10007
212 285-2550

REQUIREMENTS FOR CERTIFICATION

Applicants for Certification are evaluated on the basis of five years experience in purchasing or materials management, or a degree from a recognized four-year college plus three years of related experience, the passing of four examinations, years of experience, and contributions to the purchasing profession. They can earn points for specific accomplishments in each of these categories, and must accumulate a minimum total of 70 points to qualify for Certification, 35 of which must be earned by passing the four field examinations.

Four Examinations:

1. The Purchasing Function	
2. The Administrative Function	
3. The Organizational Function	
4. The Continuing Education Function	35 points

Formal Education - (Highest Level Attained)

2 year Community College	10 points
4 year College Degree	20 points
Master's Degree	25 points
Doctorate	30 points

Specific College Courses - (Not included in the degree program)

Purchasing or Materials Management, Accounting, Management, Marketing, Computer, Economics, Engineering, Traffic Management, Law, Finance, Communications, Statistics, Physical Sciences, Behavioral Sciences.	2 points

Non-Credit Seminars and Courses

N.A.P.M. Sponsored 2-week Executive Seminar	4 points
N.A.P.M. Sponsored 1-week Management Seminar	3 points
Local Association Courses (16 hours & over)	2 points
Short Seminars (8 hours & over)	1 point
Equivalent Seminars and Courses Conducted by other Institutions.	2 or 1 points depending on number of hours.

Attachment I

Contributions to the N.A.P.M. or Purchasing Profession

1. Each job assignment as local Association officer or standing Committee Chairman	1 point yearly
a. Additional for District Committee Chairman and for the Assistant to the District Vice President	1 point yearly
b. Additional for National Committee Chairman and for the District Vice President	1 point yearly
c. Group Chairman	1 point yearly
2. Each published article must be substantive, well-developed, and research based.	2 points

Experience

The points established for the experience factors are scaled down from seven per year to one per year, depending on the job level and purchases volume. The matrix for this factor is contained in the Application for Certification.

(Note: Applicants must have a minimum of five years experience in purchasing or materials management if lacking a degree from a recognized four-year college, or three years experience if one does have such a degree.)

Total required: 70 points

How to Apply:

A prerequisite for Certification is successful completion of the four field examinations. Applicants who have passed the four examinations, are satisfied that they have earned at least 70 points, and meet all other requirements should fill out the Application for Certification, sign it, and return it to the Director of Certification, National Association of Purchasing Management, 11 Park Place, New York, N.Y. 10007. Registration forms for the examinations can be obtained from the Director of Certification (same address). Applicants who have attained the age of 55 or more and who have 15 or more years of experience in the Purchasing/Materials Management field may apply for Lifetime Certification, assuming all four tests have been passed.

National Association of Purchasing Management

11 Park Place
New York, New York 10007
212 285-2550

EXAMINATION SPECIFICATIONS

The examination, which has a multiple-choice format, consists of four modules. Two modules will be administered during a three-hour session in the morning of the test date, and two modules will be administered during a three-hour session in the afternoon. Each module consists of sufficient questions to permit candidates to demonstrate their knowledge of the critical tasks included in that area. The general content of each module is outlined below.

Module 1: The Purchasing Function

Part 1 - Procurement Requests:

- Reviewing requests for purchases, including analyzing and determining the appropriateness of the requests in terms of organizational requirements and goals.

- The identification and selection of potential sources of supplies including make or buy considerations.

Part 2 - Soliciation of Proposals and their Evaluation:

- Issuing requests for bids/quotations and the determination of appropriate order systems and procedures.

- The soliciting of competitive bids that includes the consideration of all pertinent specifications, requested terms and conditions, and explanations of corporate and federal, state or local government regulations.

- The evaluation of competitive offerings.

Part 3 - Vendor Analysis:

- Supplier visits and evaluations.

- The negotiating process, including preplanning and negotiating.

Part 4 - Contract Execution and Implementation:

- Vendor selection and preparation and issuance of purchase order/contracts.

- Obtaining legal review and approval of a contract.

Part 4 - Contract Execution and Implementation: (Cont'd)

- Expediting deliveries and follow-up procedures.

- Using vendor rating systems to analyze vendor performance.

- Resolving contract differences.

Module 2: The Administrative Function

Part 1 - The Purchasing Department:

- The definition and development of the goals and objectives of a purchasing department within the framework of delegated authority.

- The planning and development of operating procedures for the systematic handling of purchasing requirements.

- The planning and development of operating policies, guidelines, and procedures for the control of work flow.

- Determining appropriate designs for operational forms.

- The utilization of current developments in computerized purchasing systems where practical.

Part 2 - Dealing with Personnel:

- The performance of personnel functions.

- The evaluation of purchasing staff performance.

- The performance of formal job training and the development of the professional competence of the staff.

Part 3 - Budgetary Concerns:

- The preparation, negotiation and implementation of a departmental budget.

- The maintenance of operating costs within budget limitations.

Part 4 - Ancillary Functions:

- The disposition of obsolete, surplus materials, equipment and scrap.

- The participation of Purchasing in corporate decisions to lease or buy.

Part 4 - Ancillary Functions: (Cont'd)

- The organization of materials and surplus stores for use within the organization.

Module 3: The Organizational Function

Part 1 - Establishment of an organized purchasing function:

- Integrating the purchasing function with the organization.

Part 2 - Forecasting and strategies:

- The development of forecasts in the light of the economic conditions that affect the procurement of materials and supplies.

- The recommendation to corporate management of purchasing strategies and programs based on forecasts.

Part 3 - Optimizing Purchasing Performance:

- Developing new and/or alternative materials, equipment, and sources that will provide improved cost effectiveness and/or product quality and/or supply continuity.

- Researching opportunities and making recommendations to higher management of standardization programs.

- The development and maintenance of a cost-reduction program.

Part 4 - Relationships:

- The maintenance of good company relationships with vendors.

- The maintenance of an effective working relationship with other departments involved in the procurement cycle.

I. Devising a Practical Professional Examination

Any practical definition of a test should be phrased in terms of both its function and its modus operandi, i.e., its method of functioning. Thus broadly stated the function of an examination is to provide an adequate as well as accurate measurement of the candidate's capability of performing in a certain field. In order to perform this function the examiner confronts the candidate with a specified number of questions each of which requires the candidate to perform a certain type of mental task or act of cognition.

Traditional type examinations have frequently been criticized on four broad counts:

1. They were boring to the candidate.
2. They failed to measure the more complex mental operations required to be performed by competent persons in the field.
3. They failed to perform adequately the function of measuring the full range of competency required in the field.
4. The content of their questions did not appeal to the candidate as being relevant to the field.

The purpose of this manual is to offer some explanations for these failures and to suggest practical means of avoiding them in the development of this particular test. It should be pointed out that the opinions expressed are those of the author, and although they are derived from a fairly wide experience in the field of test development they do not necessarily express the official opinion of the testing organization to which he belongs.

II. Some Explanations for the Failures of the Traditional Type Test

1. The failure of an examination to arouse a strong interest in the candidate is related to the other three criticisms that

2. its content does not provide an adequate coverage of the field of knowledge;

3. it does not uncover the more complex (exciting) mental activities required in the field; and

4. its questions are not particularly job related.

On assembly lines in mass-production industries one of the most serious problems is connected with the fact that each worker on the line is bored and fatigued because he is only required to undertake one single, repetitive operation. Similarly, if the questions in an examination require the candidate to undertake only one rather simple mental task, his reaction will be of the same kind.

Whether fortunately or unfortunately our educational system has placed considerable emphasis on imparting "knowledge" (information) to students. Knowledge in this sense has been particularly emphasized because of the simplicity with which it can be taught or learned. At the same time, one of the easiest tasks of an examiner is to measure the quantity of such knowledge that can be recalled by the candidate under examination conditions. Thus many examinations have focused too exclusively on estimating the amount of recall information lodged in the candidate's memory. Looked at from the candidate's point of view, he has been too often subjected to an examination in which question after question required of him the one simple act of memory recall.

Added to the degree of boredom occasioned by too many memory-recall questions has been the fact that in many instances examiners have not themselves adequately plotted out the whole field to be examined. Individual examiners have a tendency to overly narrow or expand the particular aspects of the field in which they are interested. Only a consensus of experts, after careful discussion, can be expected to define boundaries and assign realistic weightings to each of the field's components. Such examination specifications, when supplied to the candidate, should be clearly apparent to him as being the best and clearest study guide in his preparation for taking the examination. Examinations which reflect poor or nonexistant specifications can only bore, bemuse, and frustrate the candidate.

Relevance is a principle often honored but frequently betrayed by examiners. Its importance, however, cannot be too much emphasized in the case of professional certification examinations, where examination success is supposed to be hallmark of practical proficiency in the real world. The most effective safeguard against irrelevancy in an examination is to ensure that the examiners themselves are not just armchair experts but are persons who are in constant touch with the realities of day-to-day operations in the field. There is a close correlation between the job-relatedness of the question in an examination and the job-relatedness of the examiners. No question in an examination should cause the candidate to exclaim "So what!"

III. Examination Objectives

The greater the extent to which the above failures are recognized and overcome, the more the following examination objectives are likely to be achieved:

1. Candidate satisfaction in having been exposed to a worthwhile experience;

2. Examination prestige conferred upon the sponsoring professional association as having established relevant and realistic standards of competency in the profession;

3. Diagnostic usefulness to both the candidate and to the professional training institutions, since information obtained about success or failure in the examination will cast a meaningful light on the extent and quality of candidate preparation.

IV. Ensuring Adequate Examination Coverage

This will be achived in the case of the present examination by the choice of committee of examiners whose combined expertise represent the entire field. The examination specifications will be drawn up as a result of committee consensus on the following: (1) delimitation of the field's boundaries, (2) identification of the major division within the field, and the broad categories of subject matter which should be included under each major division, and (3) weighting of each major division in terms of its importance in achieving proficiency in the field.

V. Examination Size and Subscores

It should be noted that two important questions remain to be decided after the establishment of the test specifications. The first concerns the number of questions to be included in the test and the second, whether to report simply a candidate's total score, or to report both his total score and his scores in each major division of the field represented in the examination (subscores). The reporting of subscores as well as total score makes the examination a much more valuable diagnostic instrument, since it gives a clear picture of candidate strengths and weaknesses within the field. However, the number of subscores to be reported directly

affects the number of questions in the examination. To be useful for diagnostic purposes, each major field division is to be represented by 25 questions in the examination and should therefore constitute meaningful subscores. Thus if three subscores are reported the examination should consist of 25 x 3 = 75 questions.

VI. Ensuring the Job-Relatedness of Examination Questions

As already stated, the basic guarantee of the job-relatedness of the questions is the job-relatedness of the examiners and question writers. Thus persons who are wholly operational in the field have been called upon to write questions. Under the guidance of an experienced test developer and after a preliminary, brief course of instruction in the writing of multiple-choice questions, such personnel are capable of supplying all the questions needed for the test. In fields where organizations, rules, procedures, etc. are changing continuously, the question of redundancy of content has always needed to be faced. The updating of questions in examinations and the building of a question pool from which to obtain replacement questions and to develop new forms of the examination should also be regarded as a continuous and extremely important function of the committee of examiners. A regular institutionalized procedure should be developed whereby the committee will be enabled to conduct an annual review of all questions in the examination and the pool.

Senator DANFORTH. Mr. Eads, how do you think that our Government people stack up when compared to their private sector counterparts?

Mr. EADS. Well, I can only answer that from what I read in the paper and hear from comments and not from any personal experience. It would seem to me that in all probability the Federal procurement work force is hampered by many restrictive measures that the civilian industrial work force may not be and consequently does not have all the freedom that may be necessary to take alternative routes.

Senator DANFORTH. Right. But just for the purpose of this morning's hearing I'd like to stick to the quality and the training of personnel as opposed to the procedures for procurement.

Mr. EADS. I don't really know that I am qualified to answer that without having some intimate knowledge of the work force. The only knowledge I have is by reading your uniform code.

Senator DANFORTH. All right. If you were in charge of upgrading our personnel, what would you advise us to do?

Mr. EADS. Well, I think you would need to consider a uniform entry level for a procurement individual.

Senator DANFORTH. That is the certification process?

Mr. EADS. Yes. I would suggest that it be a certification. There should be some minimum requirements on educational levels. We are seeing a considerable number of "help wanted" requirements that are suggesting, within industry, a degree program of some

kind. I don't think that we are saying that a degree program is not desirable. We are saying that it takes some experience also.

Senator DANFORTH. So then your view is that it would not be appropriate, or would not be wise, to require the attainment of a certain degree?

Mr. EADS. No. I am not saying that it would not be desirable. I am saying that is only one of the factors that should be considered.

Senator DANFORTH. But should there be a requirement that a certain degree be achieved or not?

Mr. EADS. When you say a degree, you mean a baccalaureate degree of some kind?

Senator DANFORTH. Yes, or more.

Mr. EADS. I think it would be desirable, yes. I think they need more than that, however.

Senator DANFORTH. Would that be the sine qua non? In your view, should we absolutely require that the procurement people have a baccalaureate degree? Or should we take the position that it is desirable, but that it is not a requirement?

Mr. EADS. I think I would rather take the position that it would be desirable but not absolutely necessary.

Senator DANFORTH. But you would say that it should be a requirement that there be a certification?

Mr. EADS. Or working toward certification.

Senator DANFORTH. Or working toward it.

Mr. EADS. And the certification does require a degree of educational expertise.

Senator DANFORTH. Are you familiar with the Office of Personnel Management's new classification standards for procurement personnel?

Mr. EADS. No, I am not.

Senator DANFORTH. Are you, Dr. Bierman?

Mr. BIERMAN. To some extent, yes. I should say only to the extent that I have read what was published, and my feeling certainly is that the manner in which it is written suggests that whereby certain standards do exist now those standards would become downgraded—an effect, I think, that is quite contrary to what the intent should be.

Senator DANFORTH. Do you think that instead of moving toward higher standards for procurement personnel, in fact, it looks as though we are moving toward lower standards for procurement personnel?

Mr. BIERMAN. It does appear that way.

Senator DANFORTH. If you were a Member of Congress and concerned about wise expenditure of Federal funds, would you be heartened or dismayed by the new classification standards?

Mr. BIERMAN. Heartily dismayed.

Senator DANFORTH. Heartily dismayed, OK.

Thank you both very much.

Mr. EADS. Thank you.

Senator DANFORTH. Our next witness is Mr. Walter B. O'Neil, member of the procurement committee of the National Security Industrial Association.

TESTIMONY OF WALTER B. O'NEIL, MEMBER, PROCUREMENT COMMITTEE, NATIONAL SECURITY INDUSTRIAL ASSOCIATION

Mr. O'NEIL. Good morning, Senator.

I welcome this opportunity to appear before this subcommittee on behalf of the National Security Industrial Association. Your letter of January 6 advised that this hearing has been called to consider the status of the Federal procurement work force and means by which its overall competence and preparedness may be enhanced. We are most pleased to assist in that regard.

I participated in the Federal Procurement Commission study with Dr. Page as a member of the group which considered personnel education, training, and qualification. I am, therefore, familiar with many of the issues involved in procurement professionalism.

Senator DANFORTH. Mr. O'Neil, could you, at the outset, tell us what the National Security Industrial Association is?

Mr. O'NEIL. Yes. The National Security Industrial Association is an organization of approximately 300 manufacturing, research, and service companies of all sizes and from all segments of industry interested in and related to our Nation's security. NSIA serves essentially as a two-way communications medium between Government—primarily defense—and the industry which supports it.

Senator DANFORTH. You are the communicating link in the famous military-industrial complex, is that right?

Mr. O'NEIL. Yes, we are sometimes referred to by that terminology.

As the chairman of the NSIA ad hoc group working on the uniform procurement system, I would like to report that we have spent many hours studying and analyzing the OFPP draft proposal for a uniform procurement system and its supporting legislation. As you correctly observed in your letter of January 6, the fundamental requirement for success of the proposal is the professionalism of the work force. We, therefore, became concerned when we reviewed the tentative position classification and qualification standards for Federal contract and procurement positions issued by the Office of Personnel Management and learned that professionalism had not been sufficiently recognized.

The draft noted that the highest level of knowledge, "mastery of a professional field to generate new hypotheses and theories," was considered by OPM to be not required except for a few "unique" positions in the contract and procurement series. This may be an erroneous application of an established criterion, and we are puzzled by this conclusion because we believe that the highest level of knowledge, skill, and judgment is required. We are concerned, as taxpayers as well as representatives of industry, that those who obligate our Government to the expenditure of public funds for billions of dollars' worth of goods and services each year would be anything less than professional. We conclude from your letter of invitation to testify today that you, too, are concerned, that the Congress is concerned, and we believe that everyone with procurement responsibility in the executive branch should be concerned.

The Procurement Commission recognized that contracting personnel were required to be knowledgeable in several disciplines in order to effectively perform their duties and to satisfy the require-

ments of assigned responsibility. Contracting officers at least must be conversant in cost and pricing analysis, economic benefit analysis, financial management, the law and its ramifications, technical considerations, and ultimately as the team leader for the contracting process. The contracting officer is the person who signs the contract and is responsible for the consummation of all aspects of the contract. It is our observation that the programs which enjoy the greatest success have a contracting officer who is most highly qualified.

It is our opinion that the omission of professionalism for contracting officers would greatly reduce the Government's ability to attract and retain the highly motivated and qualified personnel required to manage the highly sophisticated problems and issues that are the everyday life of those in contracting for the Federal Government. We consider our procurement personnel in industry to be nothing less than professional. We require the necessary skills, education, and abilities at the entry level and promote and transfer on demonstrated ability. We urge the Government to recognize the required expertise levels and to act in a similar fashion.

Our association has had limited exposure to the events which may have led some in Government to believe that professionalism is not required in the procurement field. Nevertheless, we are intensely interested and concerned. If there are laws and regulations now in existence which inhibit procurement professionalism, we believe they should be changed. Without professionalism, we believe that the heads of all Government agencies and their contracting officers will be severely handicapped in trying to improve the procurement system, and the taxpayer will have to continue to absorb the cost of inefficiency.

We appreciate the opportunity you have provided to comment on this most important subject and concern of industry.

Senator DANFORTH. Thank you, Mr. O'Neil.

Mr. O'Neil, in the private sector, in the businesses that you represent, when a procurement person is hired, are there standards for hiring that person?

Mr. O'NEIL. Yes, sir. I might use my own company as an example. We are a high technology company. The base of our success is our engineering force. We are very careful in our recruiting and very ambitious in our recruiting procedures for engineers.

We are no less diligent in recruiting for our business managers. Not only that, but we encourage schools in our neighborhood to provide educational opportunities for our employees to improve their situation. As a matter of fact, just a couple of months ago at one of our executive meetings, our director of education, training, and personnel development made a presentation, and I was surprised to learn that the highest number of individuals attending courses were attending courses in the M.B.A. field, and that's from an engineering-oriented company. That doesn't mean that our engineers were not going to graduate school, because they are, but they are outnumbered by the individuals who are going to graduate management courses.

Senator DANFORTH. Do you think that the private sector, in your experience, is more progressive in not only the requirements for people it hires and in recruiting but also in providing training op-

portunities once it has them on board, than is the Federal Government?

Mr. O'NEIL. Yes, sir. The people who work in that area for us commit our company to financial risk, financial success, hopefully. We are very careful about who those individuals would be.

Senator DANFORTH. Mr. O'Neil, in answering my next question, I want you to answer personally, not from the standpoint of your own company because I know that you are in the business of doing business with the Government and have ongoing relations with probably specific people in the Government. I don't want you to reflect on any personal experience or any particular individuals. Within your industry, within the National Security Industrial Association, is there an opinion as to the relative competence of people who represent the Government on one hand and those who represent your association members on the other hand, in the negotiation of Government contracts?

Mr. O'NEIL. I think my answer to that would be similar to Mr. Sowle's. We have a spread of talent in industry as you do in the Government. We find individually many very highly qualified people in Government that we interface with. We find that we have the greatest success with those who are the most competent, and by that I mean success not only for us as a company—or our industry—but success for the Government. We also find there are those who are not up to the standards that I think they should be, and I am sure that is recognized by many.

Senator DANFORTH. Can you state a general rule? Can you say that the average on the business side of the table is equal to, better than, or not as good as the average on the Government side of the table?

Mr. O'NEIL. I think by the numbers that I would claim that we do better in industry. We have a different way of motivating people. We can hire and fire and transfer and promote and increase wages and benefits quicker and on a more individual basis than can be done in the Government.

Senator DANFORTH. Some of those things we'd have a hard time changing, I guess, but insofar as we could change, what advice would you have for us? I don't think Government is going to be hiring and firing quite as rapidly as the private sector, and I am sure that the upper level of industrial management's pay scale is always going to be considerably higher than in Government. But given that, what advice would you have for managing our personnel?

Mr. O'NEIL. I think that recruiting is the thing that needs to be improved the most, and I think that providing career development opportunities for the individuals who enter the Government work force can and has to be improved. There has to be a career pattern. I think that the most highly motivated individuals coming into the system will start with a mundane job and maybe 5 or 6 years down the road they will still have a mundane job. They might see others with a weaker background going ahead of them because of the way the system works.

Senator DANFORTH. Is there any reason that can't be changed?

Mr. O'NEIL. I don't believe so, no. I think it should and I think it can be.

I think it's the responsibility of the seniors in each of the agencies to insure that that happens. There are education opportunities, as has been testified to previously, for those in Government. I don't think that all of the agencies take as much advantage of them as they can and should. I don't think there is recognition in some circles within the Government of how critical it is to have such highly qualified people. There seems to be a willingness to denigrate the position of the contracting officer and to subordinate his interests or his inputs to other factors. I'd like to see all of that changed.

Senator DANFORTH. You know, it's interesting to me that you are here as a representative of the National Security Industrial Association, a group of businesses that sell things to the Government, and of course, the Government procurement personnel are the people who buy things from you. I think I heard you say that from your standpoint, not just the taxpayers' standpoint but also your businesses' standpoint, you would much rather be doing business with an able, competent person than with someone who is not so sharp.

I think that is generally true in professional relations, and it certainly is true, for example, in the practice of law. A lawyer once told me that his father, who was also a lawyer, after going through a dismal trial, said that he would never again try a lawsuit against somebody who wore a hat a size smaller than a size 7.

I think it is generally true, that from the standpoint of both sides of the table, it's important to have competency and understanding on both sides. You know where they're coming from, they're predictable. In procurement, that would be in the best interests of Government and the taxpayer, and also in the best interests of the private sector.

Mr. O'NEIL. Yes, sir, I agree with that. Doing business in our area of interest and all of NSIA's areas of interest, we are dealing with very highly sophisticated products and services. The description of what they are and how they will be used is pretty complicated in most instances. How you describe the Government's needs, or how you supply the Government's needs, is tough in most instances and highly competitive. We sometimes get nervous in dealing, in trying to make satisfactory delivery. We get more nervous when our interface with the Government is less competent than he should be to carry out his responsibilities. We have almost complete confidence when we are dealing with a real pro.

Senator DANFORTH. Would it be fair to say that even within the Defense Department procurement program there is room for improvement? Some feel that the Defense Department is really a separate category and that they are doing an excellent job in procurement. But would it be fair to say that there was no aspect of Federal Government procurement where we could not look for upgrading?

Mr. O'NEIL. I think, from my experience, 20 years around town, that the Defense Department is the most competent in the area of procurement. I believe they have more professionals than any other agency. Most of my experience has been with the Department of Defense. However, like anything else, it too can improve its practices, and we see instances where there is considerable fail-

ure by them in understanding what is needed for them to get what they want, what they have to have.

Senator DANFORTH. Mr. O'Neil, thank you very much.

That concludes the hearing.

[Whereupon, at 10:40 a.m., the subcommittee was adjourned to reconvene at the call of the Chair.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

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STATEMENT OF MICHAEL J. TASHJIAN
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SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES
OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I appreciate the invitation to appear at this hearing and discuss the federal procurement process and workforce. I regret that I am unable to attend but intend to briefly touch on four major areas. First, the increasing complexity of the government procurement mission; second, the current status of the government procurement workforce; third, a recent action on the Contract and Procurement Series, GS-1102, taken by the Office of Personnel Management; and fourth, my views regarding some actions needed for the future.

INCREASING COMPLEXITY IN THE FEDERAL GOVERNMENT PROCUREMENT PROCESS

As an individual who spent approximately 25 years in the federal procurement workforce, I have witnessed the increasing complexities regarding procurement. I would categorize these in four general areas.

Socio-Economic - In the socio-economic area the procurement process has been utilized not only to procure goods and services but also to effect social change. The

establishment of socially-oriented goals; the requirement to review, approve, and monitor subcontracting plans; and the additional paper work involved have greatly complicated the procurement process. The areas of minority business, small business, women-owned business, and labor surplus all require interface with a large number of governmental organizations.

Pricing and Costing - A second area of increased complexity is in pricing and costing. A government contracting officer has to take into account such recent initiatives as design-to-cost targets, parametric pricing, and "should cost" analyses. He must be prepared to negotiate incentive and award fee contracts, administer economic price adjustment clauses, and cope with pricing in an inflationary economy.

Maintenance and Logistics Interface - A third area of increased complexity is in the maintenance and logistics interface. Many procurements are now made on a life cycle costs basis rather than an initial costs basis. We have seen the introduction of warranties, the wider utilization of contractor maintenance of equipment, and the procurement of software--all requiring the government procurement officials to be more knowledgeable about supply, maintenance, and engineering disciplines.

Regulatory Complexity - In the last few years, regulations stemming from the so-called "Truth-in-Negotiations" Act, (Public Law 87-653); the Cost Accounting Standards Act, (Public Law 91-379); the wage and price guidelines; and the Freedom of Information Act have greatly complicated the negotiation and contract administration process.

In short, the procurement process has evolved into a very complex process involving socio-economic goals, pricing and costing, maintenance and logistics, regulations, and the counter-balancing of multi-faceted goals.

CURRENT STATUS OF THE GOVERNMENT PROCUREMENT WORKFORCE

A review of the current federal government procurement workforce shows many problems. Let me state at the outset that a large portion of procurement officers are true professionals dedicated to excellent performance. However, they operate under severe constraints. Grade structures are inadequate, and the criteria for appointment of contracting officers is poorly defined. In some cases untrained and unqualified personnel perform contracting functions. A large percentage of the workforce is eligible for retirement, yet civil service procedures are such that there may be a gap of several months before a job can be filled. Additionally, the regulatory inflexibility for decision-making greatly affects the efficiency of the workforce. These constraints on the workforce are magnified when combined with the increased complexity of the process itself. Finally, an environment of

review and surveillance by Inspector Generals, the General Accounting Office, and other groups, tends to stifle initiative.

RECENT OFFICE OF PERSONNEL MANAGEMENT (OPM) ACTION

A recent Office of Personnel Management (OPM) action will, in my judgment, seriously impact the professionalism of the government contracting community. More importantly, it will greatly diminish the likelihood of successfully accomplishing major government acquisition procurements. Specifically, the OPM has recently issued Tentative Qualification and Classification Standards for the Contract and Procurement Series, GS-1102, that will downgrade the levels of knowledge and expertise required for that Series and will result in many positions being reduced by one or two grades. A further impact will be the inability of the government to attract entry level personnel with the appropriate education and training to cope with the complicated government procurement process. The new updated standards, which the procurement community has been expecting for over two years, were to have been the result of a joint study group composed of the Federal Acquisition Institute (FAI); the executive agencies, and the OPM. However, the tentative standards developed by this joint group were discarded and apparently not utilized by the unilateral action of OPM's recent promulgation of the proposed new standard.

Unless this action is reversed, in my judgment, the impact on the federal procurement community will be detrimental.

ACTIONS NEEDED FOR AN IMPROVED WORKFORCE

The organizational placement of the procurement organization and the status of the procurement exeeutive within a department or agency must allow business judgments to be brought to bear in the procurement process. My observation while in government service was that in many cases program personnel overrode the professional recommendations of procurement personnel. Therefore, the organizational placement and the authority of the procurement executive should be carefully reviewed by OMB.

The delegation of procurement authority and the designation of contracting officers must be based on pre-established criteria for education, experience, and business acumen. In many instances unqualified personnel are exercising procurement authority based on job titles or positions rather than on qualifications. This is particularly true in the Department of Defense, where military personnel are often placed into procurement positions based on their rank rather than on their qualifications.

A third action needed is the establishment of a proper, government-wide career development plan. This program would involve the development of realistic classification standards, the use of written exams for progression to higher grades, and the development of a certification program. The Certified Professional Contract Manager (CPCM) designation of the National Contract Management Association (NCMA), of which I am a past national president, is an excellent example of a certification procedure that attests to the education, training, and skills necessary to be certified a procurement professional. The continued support of the FAI as the federal government focal point for the professionalism of the procurement career field is essential.

This concludes my prepared remarks. I would be happy to answer any questions.

AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC

1725 DE SALES STREET, N.W. WASHINGTON, D.C. 20036 TEL. 347-2315

OFFICE OF THE VICE PRESIDENT

February 2, 1982

The Honorable John C. Danforth
Chairman
Subcommittee on Federal Expenditures, Research
and Rules
Committee on Governmental Affairs
United States Senate
128 C Street, N. E., Room 44
Washington, D. C. 20510

Dear Mr. Chairman:

On behalf of the Aerospace Industries Association of America, Inc., representing the nation's major manufacturers of aircraft, spacecraft, missiles, and related components and equipment, we welcome the opportunity to comment for the record on the status of the procurement work force.

AIA, through its member companies, has gained broad, in-depth experience in the Federal procurement process. Although this experience has been principally with the Department of Defense (DOD), our member companies also have extensive dealings with the National Aeronautics and Space Administration (NASA) and, more recently, the Department of Energy (DOE).

As the Office of Federal Procurement Policy stated in its "Proposal for a Uniform Federal Procurement System", dated October 29, 1981, "A professional procurement work force is essential to the proposed Federal procurement system." We would add that professionalism, which we define as the ability to exercise sound judgment in making procurement decisions, is an element of the present system. Despite the many critics of Federal procurement systems, there are many competent and skilled procurement personnel in the present work force.

In industry, employees who are to engage in procurement activities are selected carefully and educated or trained to the extent necessary for them to make sound judgments and decisions. In this regard, we find that experience is, in most cases, the best teacher. To attract the right kind of person for such a role, appropriate incentives are provided such as adequate compensation and, just as important, stature in the organization. Moreover, authority and responsibility, once assigned, are not subjected to excessive layers of supervision or audit. Of course, accountability to an apropriate level goes along with such responsibility. Good performance is rewarded and poor performance penalized. We believe the foregoing applies equally to the federal procurement work force.

However, it appears that in some instances the contributions of the procurement function to the achievement of agency goals and missions are not fully recognized or appreciated. Often this is reflected in the rank or position of the procurement function within the agency. Moreover, the decisions or judgments of the person (contracting officer or program manager) having the authority and charged with the responsibility for contract negotiation and performance are subject to administrative actions that cast doubt upon such authority and responsibility. To the extent the foregoing is true, it acts as a deterrent to competent personnel entering the procurement field and adversely affects morale within the procurement work force.

As to means by which the competence and professionalism of the procurement work force of the agencies may be enhanced, we believe this should be left to the government. Industry looks upon the staffing of the procurement function as a prerogative of management. Good staffing is an element of good management. Accordingly, our only comment on this issue is that programs set forth in the "Proposal" appear to have merit.

Sincerely yours,

Lloyd R. Kuhn

Lloyd R. Kuhn
Vice President - Legislative
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February 2, 1982

Honorable John C. Danforth
Chairman
Senate Subcommittee on Federal
Expenditures, Research & Rules
460 Russell Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

As a private lawyer in the government contracts bar and a former Administrator of the Office of Federal Procurement Policy, I am writing to share with you my concerns about the current status of the procurement work force and the OPM Tentative Position Classification and Qualifications Standards for Federal Contract and Procurement positions. As a former Federal official, I have a very real interest in the public policy implications of procurement work force reforms. As an active practitioner, I have an acute interest in the impact of the proposed Standards because of the extensive and complex contracting done by my clients with the Federal Government.

In my view, the draft Standards fail to recognize the high level of professionalism required in the procurement career field. For many years, the procurement community, including organizations such as the Public Contract Law Section of the American Bar Association, the National Contract Management Association and National Institute of Government Purchasing Officers (NIGP), has pushed very hard for professionalism, certifications and educational expertise to encourage procurement officers in attaining the highest level of knowledge possible to aid them in performing their contract and procurement work.

During the past three administrations, the Office of Federal Procurement Policy (OFPP) and the Federal Acquisition Institute (FAI) have worked diligently and unceasingly to expand procurement educational opportunities and to encourage in-service training programs for the procurement career field.

At the present time, over ninety institutions of higher learning offer procurement courses at the undergraduate or graduate level. These courses serve to strengthen the credentials of current procurement personnel and provide specialized study for students. These educational opportunities compare very favorably with the bleak offerings at only a handful of institutions in 1974 — at the time OFPP was created. This joint effort of OFPP/FAI is beginning to bear fruit. If the draft Standard were to become effective, the professionalism of the individuals who are now on the procurement career ladder would be significantly undermined.

Accordingly, I must respectfully disagree with the focus of the proposed OPM Standard on the technical aspects of the positions and the conclusion that "most positions requiring [the highest] level of knowledge are unique, and therefore are not representative of typical positions." To the contrary, based on my experience, I would suggest that there is an immediate need to see the highest level of knowledge required in more positions to assure the capability to deal competently and fairly with the many legislative and regulatory problems and, more importantly, the issues of judgment that face both the government and industry in the effective implementation of the procurement process.

Procurement personnel, both in government and in industry, consider themselves nothing less than professionals. I urge the Congress and OPM to recognize this required expertise level in the government and to restructure the Standard to provide this recognition of professionalism.

It appears to me that the omission of the highest level of knowledge factor will lead to negative attitudes and lower the grades throughout the GS-1102 series. As a result, the ability of the government to attract and retain high calibre, qualified federal employees in the procurement field would be greatly diminished. Moreover, the government stands to lose because individuals with less knowledge are inadequately prepared to negotiate highly complex contracts.

The thrust of the current Administration to reduce the number of government personnel, but to improve the quality of government service would appear to be best served by increasing, not reducing, the knowledge level of the smaller number of procurement personnel who will remain to support a greater contracting workload. Logic dictates that the military and civilian agencies must upgrade their procurement work force to deal with the challenges of new systems, high technology R&D, and the age of laser discs and micro-computers.

Failure to emphasize the importance of professionalism can only undermine and ultimately destroy the procurement career field.

We in the private sector believe it is in the best interest of our nation that the most competent professionals handle important procurement responsibilities. Procurement is not simply a technical expertise. It is a discipline of great substance which requires knowledge of the highest order. We believe that the government should have the same view.

Many in the private sector have cooperated in this reform effort in recognition that the current Standards are inadequate. But, this process should not be turned on its head. I strongly believe that any congressional action and changes to the draft Standard should reflect the complexities of the procurement process. In so doing, the Qualification Standards at every level should be revised to require the necessary skills, education and abilities beginning at the entry level, working right up to the GS-15 and SES levels.

In closing, let me say that I believe my views are not isolated. They are shared by procurement careerists throughout the government and throughout the private sector. I urge you to listen to the comments from both industry and the federal agencies as you examine this very important subject.

I respectfully request that this letter be included in the official hearing record on this subject.

Sincerely,

Karen Hastie Williams

Karen Hastie Williams

cc: Senator Lawton Chiles

[From Contract Management, July 1982 (National Contract Management Association)]

STRATEGY FOR PROFESSIONALISM

by
William N. Hunter

Many programs have been initiated in our continuing campaign to establish the procurement career field as a profession. Some have been launched by the Federal Acquisition Institute (FAI); others have been sponsored by professional associations such as the National Contract Management Association (NCMA), industry, and various federal, state, and local agencies. There is no question that these initiatives are part of a larger, cooperative plan.

Procurement cannot be made a profession by and for the government alone. It must be done by all of us for all of us. Hence, we are working with and through all parties who have a stake in procurement as a professional career field. By joining forces with our peers in the agencies, the professional associations and the private sector, much has been accomplished together that none of us could have accomplished alone. And we have kept our programs well aligned with one another. In that spirit, this article is not merely to report the FAI's latest activities; it also should be read as an open invitation to join us in our mutual quest to advance our professionalism. Your continuing advice, assistance and encouragement are the bulwark of all that we do.

A primary mission of the FAI is the planning of career management systems for federal procurement personnel. In this report, we would like to discuss seven of our projects, in terms of their relationship to one another as part of our overall strategy for professionalizing the procurement career field.

ABOUT THE AUTHOR

William Hunter has been Executive Director, Federal Acquisition Institute since 1979. He is a CPCM, Fellow member of the Washington, D.C. Chapter of NCMA and is a member of its National Board of Advisors.

Overview of Our Strategy

On February 26, 1982 the Honorable Donald E. Sowle, administrator for Federal Procurement Policy, delivered to the Congress the Administration's proposal for a Uniform Federal Procurement System. This proposal calls for a renewed emphasis on career management as a vital part of the plan for reforming the federal procurement system. It was followed on March 17 by Presidential Executive Order 12352. The Order directs agency heads to establish procurement career management programs covering the entire range of personnel management functions. The Order further requires the appointment of procurement executives with overall responsibility for those programs.

To assist procurement executives with that responsibility, Mr. Sowle has invited agencies to form a Career Management Task Group, to be chaired by a procurement manager from one of the member agencies. The FAI's full resources and programs will be available to assist and support the Task Group in carrying out the Executive Order's mandate. Members of the Task Group are shown in Figure 1.

The seven programs discussed in this article and outlined in Figure 2 are but a few of the key building blocks in effective procurement career management. Read in terms of their titles, their relationship to one another is not apparent. Read in terms of their objectives, however, these projects take the form of steps in a larger strategy.

Job Analysis

The purpose: Identify and analyze tasks that are performed by federal personnel in procurement disciplines. The FAI inventoried 1,480 tasks and asked procurement specialists to mark tasks on the inventory that they perform, in addition to reporting background data on themselves and their jobs. More than 14,000 federal employees completed the task inventories, including nearly half the government's contracts and procurement (GS-1102) specialists.

Task data are the foundation of most personnel management programs. In this case, the data have been used in preparing classification and qualification standards, and they may also be used in developing a new entry level hiring examination. Presently, agencies are applying the data in selecting and refining tasks to be covered by training for major procurement disciplines.

In addition to task data, we annually obtain demographic data on the work force for our Federal Acquisition Personnel Information System. Agencies currently have interactive access to the data in the system. The data will help them forecast retirements, project staffing needs, monitor trends in classifying positions, and otherwise plan and control procurement career management programs.

Training Standards

The purpose: Determine and document the skills and knowledge required for tasks of entry, intermediate, and senior positions of the major procurement disciplines. With Instructional System Designers from the Office of Personnel Management as our guides, the FAI's Michael Miller is presently identifying these skills and knowledge through group interviews with master performers selected by the agencies. During the interviews, we are extracting such data as the following:

- What is the task's purpose?
- What triggers performance of the

Figure 1
Career Management Task Group

Rear Admiral J. S. Sansone (Chairperson)
Dept. of Defense
David Metz
Dept. of Interior
James Fisher
Dept. of Agriculture
Maggie Taylor
Dept. of Housing & Urban Development
Timothy Crawford
Dept. of Energy
Harry White
Agency for International Development
Gerald John
Dept. of State
Thomas LaMoure
General Services Administration
Mike Kenefick
National Science Foundation
Joyce Cavallini
Dept. of Commerce
Nancy Nfong-Kerlin
National Aeronautic & Space Administration
William N. Hunter (OFPP Contact)
Federal Acquisition Institute

Figure 2 Seven FAI Programs

Title	Objective
1. Job Analysis	1. Identify the occupation's tasks.
2. Training Standards	2. Describe how the tasks are performed; establish standards of performance for the tasks; identify the skills and knowledge required for the tasks.
3. Academic Program Review	3. Review the role of colleges and universities in establishing and providing the required body of knowledge.
4. Contracting Officer Qualifications	4. Assure that contracting officers have the required skills and knowledge as a condition of their appointment.
5. Universal Certification	5. Develop programs to certify that employees have learned the commonly required basic skills and knowledge.
6. Qualification/Classification Standards	6. Hire employees in terms of their grasp of, or potential to grasp, the required skills and knowledge; ensure that the required skills and knowledge are properly weighted in determining grade and pay levels.
7. Automation Council	7. Automate the procurement process; forecast the impact of automation on the tasks and requirements of procurement positions.

task?
- What are the typical conditions under which the task is performed?
- How well must the employee be able to perform the task at the end of training?
- How is the task performed?
- What must the employee know to do the task and why?
- What physical, conceptual and cognitive skills must be mastered?

The data will be recorded in the form of objectives and standards for training the tasks. We are now in the process of finalizing standards for entry level pricing tasks. We next plan to investigate tasks of the contract negotiation and contract administration fields. Throughout this process, we are working closely with procurement managers at all levels in the agencies for review and approval of the standards.

Training standards are the means to many ends. They will be made available to federal training facilities and to federal procurement managers for on-the-job training. The standards will also serve as specifications for purchasing training from contractors. We further expect that the standards will influence the government's programs for recruiting, selecting, appraising, classifying and warranting procurement specialists.

Academic Program Review

The purpose: Review the role of colleges and universities in establishing and providing the professional body of knowledge required for entry level procurement positions. Defense and other agencies need additional, college-level sources of coursework in procurement to meet the requirements of their career programs. Moreover, undergraduate students of procurement are prime candidates for recruiters in filling procurement job openings.

The procurement community, through NCMA and other organizations, has encouraged and worked with colleges and universities to establish courses in procurement and related fields. At present, such courses are available in 260 locations, many of which are highly populated with procurement personnel. Most did not exist a decade ago.

The Department of the Army presently chairs an interagency committee to review the academic programs of colleges and universities. The committee will communicate our skill and knowledge requirements and other criteria to the colleges and universities. In return, it will solicit information on their course offerings. Based on their analysis of that information, it will recommend college courses as alternative sources of the course work required by agencies. Alma Davis from the FAI has been instrumental in establishing and supporting the committee.

We will ask the NCMA and other professional associations to work with the committee, along with representatives from academia and industrial associations. This will ensure that the colleges and universities are responsive not only to the government's needs but also to those of private sector procurement specialists as well.

Contracting Officer Qualifications

The purpose: Assure that contracting authority is entrusted only to persons who are competent to exercise that authority. A number of agencies have independently established minimum competency requirements for appointment as contracting officers.

An interagency committee has drafted recommended general competency requirements, framed in terms of the coursework and experience necessary for sound business decisions. The FAI's Elliott Warley has surveyed the agencies for data on existing competency requirements. Based on that analysis, the recommended general competency requirements will be revised and published under the auspices of the interagency Career Management Task Group.

Universal Certification

The purpose: Develop a program to certify that employees have learned the commonly required basic skills and knowledge. Two years ago, the FAI brought together a number of professional associations to develop a General Certification in Procurement and Materiel Management. After much work, this basic certification program is nearing reality, thanks to the joint efforts of the National Contract Management Association, the National Association of Purchasing Management, the National Institute of Governmental Purchasing, the Society of Logistics Engineers, and the National Association of State Purchasing Officials. Elliott Warley is the FAI's liaison to that consortium.

Certification will be based on such factors as education, experience, professional contributions, and a written examination. The examination will assess the applicant's mastery of basic skills and knowledge required for professional performance. The certification program will give a universal definition to pro-

curement professionalism and ensure that all procurement managers had met the same basic professional standards and operate in a professional manner, whether they procure goods and services for industry, academia, the federal government, or state or local governments. Thus, we all agree that certification is an important step towards professionalism.

Certification may eventually play a role in federal personnel management decisions, given the relevance of skills and knowledge measured in the certification process to the tasks of the government's procurement positions.

Qualification/Classification Standards

The purpose: Develop classification and qualification standards that accurately reflect and properly weigh the required skills and knowledge. The Office of Personnel Management (OPM) has issued proposed drafts of the standards for review and comment. Based upon agreements with the Honorable Donald Devine, OPM's director, we anticipate working intensively with OPM on the final standards. We further expect that agencies will be provided another opportunity to review the standards. Jack Livingston has been the FAI coordinator on this important project.

The administration is very concerned about both standards. Executive Order 12352 therefore directs the Office of Personnel Management, in consultation the heads of executive agencies, to ensure that personnel policies and classification standards meet the needs of executive agencies for a professional procurement work force.

Automation Council

The purpose: Forecast the impact of automation on the required skills and knowledge. For this purpose, among others, a Procurement Automation Council has been established. Edward Rader, as the FAI's liaison to the Council, is assisting it in accomplishing the following goals:

- Identify existing procurement automation systems in federal agencies, review for general applicability and disseminate information across the federal government.
- Identify needs and potential for procurement automation within and across its member agencies.
- In cooperation with participating agencies, coordinate and sponsor automation projects.
- Develop a master, time-phased plan for promoting procurement automation within federal agencies.

The Council has published a Compendium of Automated Procurement Systems in federal agencies (September 1981). It will work with organizations such as NCMA to exchange data on automated procurement systems with industry and state and local governments.

The FAI Library under Helen Bradley continues to serve as a clearinghouse for documents on automation and all other aspects of procurement. We strongly encourage all who need such materials — whether in government, industry or academia — to use this valuable resource. She may be reached on (202) 395-5722.

Future Strategies

In the near future, we expect that automation, legislative reforms, and other such influences will greatly change the work that is done by procurement specialists, in terms of a) reducing their paperwork, b) improving their ability to obtain and analyze relevant data, and c) enlarging their latitude and responsibility for making the government's business decisions. This will lead to corresponding changes in the required skills and knowledge, training standards, the competency standards for appointing contracting officers, the test items of certification programs, and in the qualification and classification standards. In short, career management programs are not static, but must constantly be reappraised in terms of the changing nature of what is done, how it is done, and who does it.

In the future, as in the past, our strategy will be predicated on making the wisest possible use of our most precious and valuable resource — the wisdom and experience of our colleagues in both government and industry. I would like to express my gratitude for your past and continuing assistance and personal dedication in realizing our mutual goal of a fully professional career field.

Since the purpose of the FAI is to serve you, we would like to hear from you and work with you to ensure that we are being responsive to your needs and requirements. I appreciate this opportunity to update you. Please feel free to contact me at (202) 395-7300 or write to me at the following address: Mr. William N. Hunter, Director, Federal Acquisition Institute, Office of Management and Budget, OFPP, 726 Jackson Place, N.W., Washington, D.C. 20503. □

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Management and Professionalism in the Contract Management Organization

ABOUT THE AUTHOR

Lloyd Walsh is a member of the NCMA National Board of Advisors and is immediate past national president of NCMA. His article is based on his address before the Great Salt Lake Chapter symposium this spring. He has been involved in the government side of contract management for many years.

The topic "Management and Professionalism in the Contract Management Organization," is far-reaching, and perhaps not defineable. If we are going to address management, we will want to identify what it takes to be successful in management, and if we want to address professionalism, we will want to look at some of the characteristics that are presumed to be inherent in the common usage of that term as it relates to our field of interest.

With regard to successful management, I want to quote from *What an Executive Should Know About Himself*, by J. C. Penney (Darnell Corporation, 1964):

"Ask any group of executives what it takes to be successful in management and you'll get a score of different answers. No one has yet hit upon a simple one-two-three count that will give the magic touchstone of executive success.

And probably there is no such 'critter.' How could there be? Management of business — whether it is a factory or retail store, the presidency of a huge corporation, or the supervision of just one of its departments — is a highly complicated affair. It calls for every trait you can find in the book, and then some.

My definition of an executive's job is brief and to the point. It is simply this: Getting things done through other people."

I try to apply J. C. Penney's simple definition in my everyday management responsibilities and it is probably the most difficult task I have. I also try to persuade my first-level and second-level supervisors to apply it, and observe that they too find it most difficult. You see, most of us who have achieved sufficiently to gain management or supervisory responsibilities have quite a bit of — I'd rather do it myself — in us.

Add to that charactenstic the fact that most people are super-willing to allow somebody else — particularly the boss — to carry the monkey on his/her back and the result is that we find a lot of bosses doing it themselves. When that happens, we usually find:

- The manager no longer has time to manage.
- The person closest to the issue gives secondary input at best, and will be placed in a possible position of differing with the boss (which isn't always comfortable) or the person closest to the issue may not totally contribute (which is worse).

It sounds simple — Getting things done through other people — but I find it to be my most challenging task. Do you?

One thought which I find helpful in persuading me to trust others to do their job is similar to a theme which was emphasized by at least two speakers during our recent NCMA Regional Symposium sponsored by the San Francisco Area Chapter. They referred to the "Golden Rule of Contracting." That is:

- To negotiate with others as you would like them to negotiate with you;
- To administer a contract as you would want someone to administer a contract you were performing; and
- Perform a contract as you would want someone to perform a contract for you.

Translated to our management responsibilities — trust people you manage to do their job as you *want* your boss to trust you.

Before moving into the professionalism issue, there are a couple of other things J. C. Penney said that directly relate to our management responsibilities, and to the theme "Acquisition Process . . . At a Fair Price." One of Mr. Penney's "rule-of-thumb" practices was, and I quote, "To charge a fair profit for what we offer — and not all the traffic will bear."

As I look at our contracting practices today, particularly government contracts, it appears to me that our thrust has moved away from the traditional concept of "fair." We have interpreted our responsibilities to be — to maximize every negotiation advantage with a spirit that suggests I (the government) must win, and you (the contractor) must lose! And of course, after I "win," your performance plan includes an objective, "to get even."

So who really wins? Or do we both lose? And, is our Agency's mission well served? Is the industry that supports our mission served? Is the taxpayer getting a bargain?

It is quite obvious that such adversary relationships create a negative impact upon all. Here then, is another extremely important concern to me as a manager in a contract management organization. I hope it is of similar concern to all contract managers — on both sides of the negotiation table. I am not suggesting elimination of ethical and constructive arms-length negotiations. But we must do something to reduce the adversarial roles which are serving no one's purpose and are negatively impacting our productivity at a time when we must achieve better marks in the international market place. If we pursue every issue to gain "all the traffic will bear" we should presume we will be facing continual traffic jams.

This adversarial relationship issue was a key thrust in the advice provided to us as national officers of NCMA by our Board of Advisors during meetings in 1980-81. They urged us to provide leadership in helping to reduce adversary relationships in public contracting.

I will have more to say about our National Board of Advisors. But first I want to share a few thoughts relative to NCMA. I consider involvement with professional associations such as NCMA to be a vital element of a manager's responsibility and I, therefore, want to provide some information relative to NCMA to those of you who may not be totally aware of our management structure and some of our organization and operations features. This will serve to provide some input as to why NCMA exists and will lead me into the final phase of this presentation.

Professionalism in the Contract Management Organization

Our Association's basic purpose is to foster professional growth and the educational advancement of people engaged in or associated with any aspect of contract management (paraphrased).

We implement our purpose through local chapters (which are tied to the national organization through a chapter director who is also a member of the National Board of Directors), through our eleven national officers, and through our national office staff. President Hub O'Brien discusses the functions and relationships of each part of the NCMA management and administrative team in his President's Forum column, this issue (page 3).

Our national president appoints many specialized committees and boards to perform specific services or to provide specialized advice. These include a host of activities such as education, certification, membership, symposia, etc., and also in one very special board of recognized senior managers who are referred to as our Board of Advisors.

I briefly mentioned a certain element of some advice they have provided when I discussed my concern relative to the growing adversary relationships in public contracting. And now I want to provide a little more information about our Board of Advisors — that is — who they are and some of the things they say.

First — who they are. They number between fifty and sixty and come from many organizations having interest in contract management issues. They are nationally recognized managers and include presidents and vice presidents of companies, academicians, prominent attorneys, government managers, a judge, and several past NCMA national presidents. And — what do they say?

As I share with you some of the things they say, please keep the second segment of my topic — Professionalism in the Contract Management Organization — forward in your thoughts. If we can work together in this fashion on that issue, we may be able to share a common understanding as to both the need for contract managers as professionals and to determine some issues which tend to block us toward that end.

Whenever I think about things our advisors say, I immediately think about one of my most rewarding experiences as the NCMA national president. Typically, a meeting between our Executive Council and Board of Advisors includes a brief summary as to where we are and where we are going in carrying out our purpose. Key elements of our game plan are discussed and our advisors provide their thoughts and suggestions as they relate to our plans. They also frequently offer additional advice upon unlimited topics which may be of special interest or concern to them.

I have a long-standing concern and belief that many contract managers do not assume the responsibilities their positions suggest they should. And the full scope of their responsibilities are frequently not fully appreciated by their management and others with whom they interface. I believe this to be generally so and particularly so on the side of the government.

I was therefore pleased when the Commission on Government Procurement also recognized this in their 1972 report. But I have been dismayed that very little appears to have been done to improve the situation. Lack of recognition and, in at least certain instances, inability to assume responsibility are key detriments to our ability to portray a professional image.

I decided I would try to do something to improve our awareness relative to professional image and dedicated my energies and administration, as NCMA president, to our basic purpose. I emphasized this in almost every column I wrote for this magazine. Our Council used it in our planning activities, and I decided to use it as a focal point for discussion with our Board of Advisors.

Rather than asking the key executives how they viewed contract management as a profession or some other similar general question, I asked five of our Advisors to prepare comments as to what they expected from contract managers (procurement people). I asked:

(continued on page 26)

WALSH

Continued from page 5

- Karen Hastie Williams, administrator, OFPP, to respond from the vantage point of her role as a member of the Office of Management and Budget and guardian of the taxpayers' interest;
- John H. Richardson, president, Hughes Aircraft Company, to respond from the perspective of a top manager in a major aerospace company;
- Roland G. (Doc) Freeman, administrator, GSA, from the perspective of a major civilian agency head who has significant buying and contract management responsibilities;
- Robert F. McDermott, deputy associate administrator, SBA, from the role of an agency executive whose responsibilities rely upon the public contracting process to support several of their major programs; and,
- Hans Mark, secretary of the Air Force, from his very responsible position for meeting critical and complex military mission needs.

It was a great experience to listen to each of these top executives tell us what they expected from us as contract managers. And it was an even greater experience to have the privilege of summarizing what I heard and to reflect upon why I believe what I heard emphasizes the need for NCMA to urgently pursue our purpose and increase the professional posture of contract managers.

I heard Karen talk about our fiduciary responsibilities and our obligation to wisely spend the taxpayers' money.

I heard John talk about our free enterprise system and the need for growth of our industry base in the international marketplace and how that growth was dependent upon the ability and wisdom of contract managers doing their job through the buying and selling of goods and services.

I heard "Doc" review many problems he faced when he assumed the management of GSA and tell us what he was doing to try to equip contract managers (procurement people) so as to avoid those problems in the future. In effect, he was telling us that our federal supply base was dependent upon the ability of contract managers to perform their responsibilities.

I heard Bob tell us about the struggle for survival by the small business firm and entrepreneur. He also briefly discussed the law as it relates to support for the Small Business Administration program through the public contracting process. He made it quite clear that our responsibilities under those laws are equally important to our responsibilities in acquiring goods and services.

That meeting with the advisors was held during the period when our nation was being severely troubled by the Russian move into Afghanistan. As secretary of the Air Force, Hans was obviously very concerned about the possibility of immediate extremely critical mission needs. He touched upon our acquisition system and the time it takes to develop systems and he also gave some excellent examples to describe how responsive the system can be in times of emergency. I believe he was telling us that we needed to improve our competence and contribute more to resolving the problems that continually plague us such as long lead times, waste, and poor public image. Since it is obvious that the system works in times of emergency, the fact that it appears to break down for our on-going activities suggests a need for people improvement as opposed to system changes.

As I have been highlighting some of the expressions of key executives as to their expectations from contract managers, I trust you have been developing some feelings I developed. The contract manager is really the person — and often the *only* person — in the middle of some very important needs — and some of those needs may not always be compatible with each other. With such responsibility, surely a highly qualified, highly motivated, professional workforce is essential to satisfy the expectations of our top managers.

So what is happening now as it relates to the professional growth of the contract management field?

If you are a government employee and your appointment is under Classification Standard GS-1102, you are no doubt aware that these are trying times. If you are not a federal employee but you work for a contractor who does substantial business with the federal government, your employer probably sees the threat as even more devastating than do most federal employees. At least my discussion with executives of companies in similar positions to your companies have disclosed their very serious concern.

Space does not permit a thorough review of all the issues surrounding the activities of the Office of Personnel Management and their efforts to revise the GS-1102 Classification Standards but certain issues and things that are happening are extremely important to the basics of professionalism in our field.

If you are a contract manager, I hope I do not tell you anything you do not already know. You see, I believe true professionals keep aware of important issues in their field of interest, strive to understand them, and contribute input so as to have a positive impact upon results relating to those issues. I believe your awareness of the issue I will be discussing and your actions relative to it will give you some indication as to whether you should be working more toward your professional growth.

Although the sensitivity to the contract and procurement classification revision issues did not receive high national visibility prior to this past summer when OPM released a draft "Tentative Standards," the effort to introduce a change is not new. Direct traceability goes back for at least half a decade to the point in time (December 1972) when the Commission on Government Procurement issued their Report and Recommendations.

Recommendation No. 18 stated: "Establish grade levels together with job prerequisites to reflect the authority and responsibility vested in procurement personnel."

The general text of the Commission Report included additional detail to support the need for revising the Classification Standards. It states that although nonsupervisory contract negotiators can attain a GS-15 classification under the terms of the existing standards, practice in implementing that standard establishes that GS-13, the so-called journeyman level, is the actual nonsupervisory rate that is generally applied. Several comparisons are offered in the report to confirm the findings of the commissioners that the nonsupervisory GS-13 level was too low.

Many of us enthusiastically received these encouraging words of the commissioners and looked forward to the day that we could promote our nonsupervisory senior contract specialists to grades higher than GS-13. It may also be news to some contract managers that in 1972, the "world" thought our "journeymen" were GS-13. Based upon the November 1981 "Procurement Workforce Demographics," published by the Federal Acquisition Institute, today's "world" has much lower goals.

Probably you all know the No. 1 Recommendation of the commission was to establish a control office of the Federal Procurement Policy. OFPP is that office and its first administrator was Hugh Witt. Hugh moved on Recom-

mendation 18 very soon after he entered office. He interfaced with the Civil Service Commission (the predecessor to OPM) in an effort to revise the Standards and he wrote to the various government agencies to be certain they were familiar with the commissioners' findings and recommendation to upgrade the contract management (procurement) workforce.

Although the findings of the commissioners were clear and Hugh's encouragement to agencies to raise levels of contract specialists was specific, most — if not all — restructuring subsequent to that time has been negative.

I do not have data relative to all agencies, but I do have it relative to some. I have a study of grade changes in one agency subsequent to the COGP Report and it is discouraging. (Period 6-30-73 and 7-31-81). While the percentage of people at entry level (through GS-8) has been relatively constant, the percentage of senior grades (GS-13 and above) has significantly declined. I suspect this is not unique to the agency I studied.

At least part of the reason for this occurring appears to me to be an overt act within the CSC (and now OPM) to use the statements by the commissioners which suggested inaccurate classification as leverage to downgrade rather than upgrade as the commissioners obviously intended.

They appear to be chiseling the contract specialists about the same way many contract specialists chisel contractors when the leverage is similarly one-sided.

That on-going downgrading process appears to also be the stimulus behind the 1981 Draft Tentative Standards. If enacted, downgrading will be one of the results. But that is not the most objectionable element of the Draft and it is not the thrust that many of us included in our comments as we made them to OPM and the Senate Committee on Government Affairs, and others who have taken an active interest in this issue.

Our concern is that OPM is suggesting no need for mastery of a professional field for people occupying contracting series positions. In contrast, OPM has concluded that E.E.O. specialists, public affairs specialists and perhaps many other similar positions, do require such high degree of professionalism.

We are concerned since we believe deletion of a requirement for the high degree of knowledge and professionalism will have a devastating impact upon the marketplace. The commissioners said the levels were inadequate to effectively perform the responsibility inherent in the positions. The commissioners included executives from both the private and public sectors and bi-partisan legislators and their interests were directed to the private sector as well as the government agencies. It doesn't take much imagination to predict the impact that will result if OPM prevails.

But what specifically is being said by key people relative to this issue and the general issue of professionalism in the field of contract management?

There is obviously much being said by many and to many and I have chosen a few examples of comments of record which have been made by people of whom you probably are aware.

The full texts of Don Sowle's and Harry Page's testimony before the Subcommittee on Federal Expenditures, Research and Rules of the Senate Committee on Government Affairs was included in the March 1982 issue of *Contract Management*. I will not repeat their concerns but will highlight the concerns of two other members of our Board of Advisors who also testified. Following are excerpts from their testimony.

Walter O'Neil, member of the Procurement Committee of the NSIA, and a past national president of NCMA:

"... the fundamental requirement for success of the proposal is the professionalism of the workforce. We therefore became concerned when we reviewed the tentative position, classification and qualification standards for federal contract and procurement positions issued by the Office of Personnel Management and learned that professionalism had not been sufficiently recognized. The draft noted that the highest level of knowledge ... was considered by OPM to be not required except for a few 'unique' positions in the Contract and Procurement Series ...

"We are puzzled by this conclusion because we believe that the highest level of knowledge, skill and judgment is required. We are concerned as taxpayers as well as representatives of industry that those who obligate our government to the expenditure of public funds for billions of dollars worth of goods and services each year would be anything less than professional. We conclude from your letter of invitation to testify today that you, too, are concerned, that the Congress is concerned, and believe that everyone with procurement responsibility in the Executive Branch should be concerned.

"It is our opinion that the omission of professionalism for Contracting Officers would greatly reduce the government's ability to attract and retain the highly motivated and qualified personnel required to manage the highly sophisticated problems and issues that are the every day life of those in contracting for the federal government. We consider procurement personnel in industry to be nothing less than professional. We require the necessary skills, education and abilities at the entry level and promote and transfer on demonstrated ability. We urge the government to recognize the required expertise levels and to act in a similar fashion ...

"We are intensely interested and concerned. If there are laws and regulations now in existence which inhibit procurement professionalism we believe they should be changed. Without professionalism, we believe that the heads of all government agencies, and their Contracting Officers, will be severely handicapped in trying to improve the procurement system and the taxpayer will have to continue to absorb the cost of inefficiency ..."

Michael J. Tashjian, partner-in-charge of the Government Contracts Services Group, Coopers & Lybrand, and a past national president of NCMA:

"... A review of the current federal government procurement workforce shows many problems. Let me state at the outset that a large portion of procurement officers are true professionals dedicated to excellent performance. However, they operate under severe constraints. Grade structures are inadequate, and the criteria for appointment of Contracting Officers is poorly defined. In some cases, untrained and unqualified personnel perform contracting functions ...

"A recent Office of Personnel Management (OPM) action will, in my judgment, seriously impact the professionalism of the government contracting community. More importantly, it will greatly diminish the likelihood of successfully accomplishing major government acquisition procurements. Specifically, the OPM has recently issued Tentative Qualification and Classification Standards for the Contract and Procurement Series, GS-1102, that will downgrade the levels of knowledge and expertise required for the Series and will result in many positions being reduced by one or two grades. A further impact will be the inability of the government to

(continued on page 39)

WALSH

Continued from page 27

attract entry level personnel with the appropriate education and training to cope with the complicated government procurement process. The new updated standards, which the procurement community has been expecting for over two years, were to have been the result of a joint study group composed of the Federal Acquisition Institute (FAI), the executive agencies, and the OPM. However, the tentative standards developed by this joint group were discarded and apparently not utilized by the unilateral action of OPM's recent promulgation of the proposed new standard. Unless this action is reversed, in my judgment, the impact on the federal procurement community will be detrimental.

Actions Needed for an Improved Workforce

"The organizational placement of the procurement organization and the status of the procurement executive within a department or agency must allow business judgments to be brought to bear in the procurement process . . .

"The delegation of procurement authority and the designation of Contracting Officers must be based on pre-established criteria for education, experience, and business acumen . . .

"A third action needed is the establishment of a proper, government-wide career development plan. This program would involve the development of realistic classification standards, the use of written exams for progression to higher grades, and the development of a certification program. The Certified Professional Contract Manager (CPCM) designation of the National Contract Management Association (NCMA), of which I am a past national president, is an excellent example of a certification procedure that attests to the education, training, and skills necessary to be certified a procurement professional. The continued support of the FAI as the federal government focal point for the professionalism of the procurement career field is essential."

Others expressed their views through letters, presentations and less formal means. Our national president spoke of the need for people of professional stature and offered his personal support to the administrator of Federal Procurement Policy toward that end. I, too, feel strongly for that need and, as did many others, expressed my view in a letter to the director of the Office of Personnel Management.

The text of those letters follow to further express some of the things that are being said relative to the need for professionalism in the field of contract management.

Dear Don,

We share your concern, and the concern of many contract managers, which conclude there are important forces doing critical things that will impact our profession and who do not appear to appreciate the need for professional stature for people responsible for contracting activities in the Federal Government. We agree that such a view is not consistent with the findings of the Commission of Government Procurement and others such as the General Accounting Office. It is also counter to our perception of the needs of the public contracting process and may work in opposition to our constitutionally expressed purpose.

The purpose of this letter is to invite you to refer to the findings of the Commission and the GAO in your deliberations with the Office of Personnel Management and others relative to this important issue. We are committed to professional growth and educational advancement of people engaged in contract management. Our purpose as expressed in our constitution is clear. Professional progress as the result of our contribution to the contract management community is likewise clear. It is highlighted on a monthly basis in our Magazine and it is underscored by the growing interest in the academic community as is evidenced by the growing quantity of colleges and universities offering graduate and undergraduate programs in our field of interest.

We in the National Contract Management Association are proud of our professional contribution and are willing to share it in furtherance of our purpose. If we can help you in your deliberations by providing additional information relative to our programs or through my personal support during those deliberations, I will make every effort to join you.

With best personal regards, /s/ Hub O'Brien

Dear Mr. Devine,

I am a member of the Advisory Board for St. Mary's College of California's Master of Science Degree Program in Procurement. I am also a member of the National Contract Management Association Board of Advisors and a Fellow of that professional association. The mutual purpose of the programs for both entities is to foster educational advancement and professional growth for people engaged in procurement and contracting activities.

Now, perhaps more than at any time during the history of our great Nation, a highly competent, professional workforce is essential to the public buying process. We are spending vast amounts of public funds and we need to do it well. Doing it well requires a highly motivated professional workforce which is capable of maintaining high standards of proficiency and ethics.

I, together with many of my colleagues, am therefore very concerned by your office's Tentative Standards for people employed in the Contract and Procurement Series (GS-1102) and the negative impact it will undoubtedly have upon the public buying process if it is adopted. I urge you to intercede and pursuade your staff to recognize the need for professional competence in people employed under this series.

Sincerely, /s/ Lloyd J. Walsh

And finally — people share their views through the public forums NCMA holds through its national, regional and chapter symposia. During our NCMA regional symposium in February, David L. Hirsch, III, senior corporate counsel for Norris Industries and Chairman of the Public Contract Law Section of the American Bar Association shared his "dream." It was a delight to my ears — the ears of a contract manager — to hear a colleague and a leader in the legal profession express his dream to be witness to a highly motivated professional contract management workforce.

You see — it is also mine.

Epilogue

On March 17, President Reagan signed Executive Order 12352 (see *CM* Final Edition Insert, April issue) which included an order to the director of OPM to consult with heads of executive agencies to ensure personnel policies and classification standards to meet the needs of executive agencies for a professional procurement workforce.

Since that time, Paul Katz, of OPM has provided executive agencies an opportunity to review the standards before the target issuance date set for early or mid-July. Outcome of that review is not known at this writing. For more information on this subject, please see FAI director William Hunter's article in this issue. □